

10 Germans kidnapped in Turkey

ANKARA (AP) — Turkish authorities have launched a huge military operation in eastern Turkey to find 10 German tourists kidnapped by Kurdish guerrillas, a government official said Saturday. The official said military units were searching the area from land and air around the clock. Two Kurdish guerrillas raided a coffeehouse near the village of Serikbag in Samsat province and kidnapped the 10 Germans late Thursday night, the semi-official Anatolia news agency reported. Anatolia, quoting witnesses, said the guerrillas ordered 15 German tourists into a truck after checking the identity cards of 24 people in the coffeehouse. The Germans had been camping in their campsite near the Nemrut crater lake in the region. Five Germans managed to escape by jumping from a truck while they were taken away by the guerrillas. They later reported the attack to Turkish authorities. Azmi Serhanoglu, a witness, told Anatolia that the guerrillas told the people in the coffeehouse that "we are in war with Germany, they (Germans) suck our blood." Anatolia said a trial of 104 members of the Kurdish Labour Party, an underground group, was going on in Germany.



Jordan Times

An independent Arab political daily published by the Jordan Press Foundation
جوردان تايمز يومية سياسية تصدر بالانجليزية عن المؤسسة الصحفية الاردنية. الراية.

Guerrillas attack pro-Israelis in Lebanon

BEIRUT (R) — A Lebanese guerrilla group said its fighters twice attacked pro-Israeli militiamen in South Lebanon Saturday. The Lebanese National Resistance said in a statement it set off bombs in two posts manned by the Israeli-backed South Lebanon Army (SLA) militia near the town of Jezzine. It said the SLA militiamen in the positions were killed or wounded in the blasts — the latest in a series of attacks on Israeli troops and their SLA allies in South Lebanon. There was no independent confirmation of the casualties. Israel and the 3,000-strong SLA hold a 15-kilometre deep "security zone" in South Lebanon and a corridor of land running up to Jezzine, eight kilometres north of the buffer strip. On Friday, fighters of the Lebanese National Resistance detonated a bomb as an SLA patrol passed near the village of Aramta inside the "security zone." The Islamic Resistance — a coalition of Iranian-backed groups led by Hizbollah, also staged two attacks on the SLA Friday. The group said five SLA men were killed and wounded in the attack.

Volume 16 Number 4766

AMMAN SUNDAY, AUGUST 4, 1991, MUHARRAM 23, 1412

Price: Jordan 100 fils; Saudi Arabia 1.50 riyals; UAE 1.50 dirhams

GFJTU urges refinery workers not to strike

AMMAN (Petra) — The General Federation of Jordanian Trade Unions (GFJTU) decided in a meeting held Saturday to support demands by Jordan Petroleum Refinery Company workers for better pay and work conditions in accordance with the Labour Law. The federation's secretary general, Abdul Halim Khaddam, urged the workers not to stage a strike scheduled for Monday, because it is against the regulations of the Labour Law. He urged them to continue work as usual until a special panel looks into the issue and decides on a just solution to the employees' problems.

Libya: U.S. insults Maghreb

ALGIERS (R) — Libya Saturday accused the United States of insulting North African countries as Secretary of State James Baker arrived in Morocco. "Just as the American secretary of state's visit to several Arab Maghreb countries was announced, the U.S. treasury made known its decision to strengthen the embargo against Libya," Libyan Ambassador Abdel Imoula Ghobdan told a news conference in the Algerian capital. "That in reality constitutes a humiliation and lack of consideration for the Arab Maghreb and states which Mr. Baker is planning to visit, because Libya is a member of a union grouping these countries." Libya belongs to the Arab Maghreb Union, also linking Algeria, Tunisia, Morocco and Mauritania.

Former Egyptian vice-president dies

CAIRO (R) — Former Egyptian Vice-President Ali Sabri died in a Cairo hospital Saturday. Egypt's national news agency MENA reported. An air force pilot who took part in the Free Officers' revolution of 1952 which toppled King Farouk, Mr. Sabri was a close associate and contemporary of former President Gamal Abdul Nasser. He became foreign minister in 1958, and prime minister in 1964 and held the post of vice-president of the republic until 1965. Widely expected to succeed Mr. Abdul Nasser, Mr. Sabri faded from public view as former President Anwar Sadat rose to prominence. A staunch Arab nationalist and symbol of the 1952 revolution, he was sentenced to hard labour for life in 1971, shortly after Mr. Sadat became president, accused of plotting to overthrow him, but was later released.

Third blaze in week at Tehran market

NICOSIA (AP) — A fire at a fabric warehouse in the heart of Tehran's bazaar, destroyed 20 bales of cloth Saturday, the third such blaze in a week, the Islamic Republic News Agency (IRNA) said. An insurance company executive, meanwhile, said between 300 and 400 shops were destroyed or damaged in a previous fire Thursday — much greater damage than assessments released at the time. The agency said firefighters quickly put out Saturday's blaze. It did not say whether there were any injuries or deaths, but noted that the fire occurred before shops opened for business.

Iran producing 3.5m barrels a day

NICOSIA (R) — Iran said Saturday it produced 3.5 million barrels of crude a day (bpd) in the four months from March 21, about 200,000 bpd above estimates by foreign oil executives and analysts. Oil Minister Gholamreza Azgazez told reporters in Tehran that exports, at an average of 2.58 million bpd, earned the country \$5.14 billion over the same period. The budget had forecast earnings at \$5.4 billion, he said. The export figure was also higher than other estimates, by about the same margin. Iran refuses about 900,000 bpd. Earnings for the whole Iranian year, which started on March 21, would reach a target of \$16.4 billion, Mr. Azgazez added.

Baker seeks Maghreb help to convince PLO

RABAT (Agencies) — U.S. Secretary of State James Baker, increasingly confident that Palestinians will find a way to join peace talks, arrived in Rabat Saturday to tap Morocco's contacts with the Palestine Liberation Organisation (PLO).

Mr. Baker flew in from Amman and went to meet King Hassan, who held talks two days ago with PLO Chairman Yasser Arafat. In Amman, Mr. Baker held talks early Saturday with Prime Minister Taher Masri on the Middle East peace process and U.S. financial aid to Jordan, officials reported.

Mr. Baker met with Mr. Masri for an hour before he departed for Morocco, the third leg of his regional tour which will take him later to Tunisia and Algeria. Mr. Baker also has visited Israel.

A senior Jordanian official said Mr. Baker and Mr. Masri "mainly discussed the unfreezing of U.S. aid to Jordan which was suspended by Congress this year."

"Mr. Baker told Mr. Masri that the decision was taken by U.S. President (George) Bush to normalise aid to Jordan," the official told the AP on condition of anonymity.

The U.S. Congress has demanded that the Bush administration produce evidence that Jordan is helping Washington's peace

efforts before lifting a freeze on American financial assistance to the Kingdom.

The amount involved is \$55 million in unappropriated aid in 1990 and \$57.2 million in allocation in 1991.

In Rabat, Mr. Baker was expected to seek King Hassan's help in persuading the PLO to give its consent to a delegation of non-PLO Palestinians in a joint delegation with Jordan to the proposed Middle East peace conference.

A senior U.S. official told Reuters the peace process had gone so far that it would be difficult if not impossible for Palestinians to say no to a U.S. initiative.

"The two toughest nuts to crack were Syria and Israel," the official said. Syria has agreed to take part, while Israel is holding out for assurances that the Palestinian delegation will meet its specifications.

"My instinct is they (the Palestinians) will find a way to participate," the official said.

There was much pressure on them to do so, he added.

In Washington Friday, Mayor Elias Frey, a prominent Palestinian from the West Bank town of Bethlehem, suggested that the one outstanding issue — who will represent Palestinians at the conference — was resolved.

"I really cannot elaborate... but I think it has already been settled," he told reporters at the National Press Club.

Public statements from the PLO have not given the same impression. It says it insists on naming the Palestinian delegates, who should include representatives from Arab Jerusalem and from the Palestinian community in exile.

Israel rejects any PLO role and says delegates from Arab Jerusalem would pose an unacceptable challenge to Israel's claim to "sovereignty" over the occupied eastern sector.

The U.S. official, who asked not to be named, said: "The PLO has not been helpful, but has not been harmful either... but they've not said yes either."

Officials travelling with Mr. Baker have been trying to move the spotlight away from the Israeli conditions onto Palestinian reservations about the framework for the conference.

Mr. Baker, at a news conference Friday after talks with King Hussein, said Palestinians had the most to gain from a conference and the most to lose if one failed to take place.

Mr. Baker, on his sixth Middle East peace mission, was making his first visit to Morocco as secretary of state. He then heads for Tunis and Algiers before returning to Washington Friday.

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Iraq says sanctions part of plot to topple government

BAGHDAD (Agencies) — Iraq has again accused the United States and its Western allies of using U.N. sanctions to try to bring down President Saddam Hussein and his government.

Trade Minister Mohammad Mehdi Saleh said Saturday a French proposal for easing sanctions by putting the U.N. in control of Iraq's oil revenue and food distribution was an infringement of the sovereignty of an independent country.

The Oil Ministry Saturday published an advertisement in the government newspaper Al Jumhuriyah advising Iraqis to store kerosene for cooking — the sort of announcement that appeared in the official press in the run-up to the U.S. and allied attacks that launched the Gulf war.

"The damage that they would like to accomplish is to destroy the people in Iraq, to make starvation and by making starvation they think (the Iraqi people) will overthrow the government," Mr. Saleh told journalists during a tour of a government food warehouse.

"They do not want Saddam Hussein. They do not want the Iraqi government," he said.

Iraq has asked the Security Council to ease the trade blockade, imposed after its invasion of Kuwait last August, to allow it to sell \$1.5 billion worth of oil to buy food and medicine.

Mr. Saleh, speaking at a news

conference earlier, accused the United States, Britain and France of presenting Iraq with unacceptable conditions.

"It (the French proposal) aims to put an obstacle to Iraq so that the sanctions will not be lifted," he said.

U.N. inspectors are in Iraq to ensure compliance with the terms of the Gulf war ceasefire, which calls for the declaration and scrapping of its weapons of mass destruction.

The two teams in the country at the moment are looking for evidence of a nuclear weapons and biological warfare programmes.

Washington has threatened to attack targets in Iraq, which initially concealed evidence of its nuclear programme, if it does not make a full disclosure.

Iraq also said Saturday it underestimated its stocks of chemical weapons in April because it was in a hurry to prepare a list for the United Nations.

In the April list Iraq declared between 11,000 and 12,000 chemical munitions, about a quarter of the real total.

Rolf Ekeus, head of the U.N. special commission overseeing the destruction of Iraq's weapons of mass destruction, told a news conference Tuesday Iraq had 46,000 chemical munitions.

"The dramatic increase in the number of chemical munitions, as we see it, is a consequence of the Iraqis seeing that the commission... (has) the capability to go

and search very effectively," Mr. Ekeus said.

His remarks were widely interpreted to imply that the Iraqis had deliberately concealed the size of their stocks in the hope that they would escape detection.

But an Iraqi Foreign Ministry source, quoted by the Iraqi News Agency Saturday, said the first list was "hurriedly prepared," and included only the most important items.

The U.S. Senate has overwhelmingly supported "use of all necessary means," by President George Bush to eliminate Iraq's ability to produce nuclear, chemical or biological weapons.

The resolution was proposed by Senate Republican leader Bob Dole, who said it was intended to signal to Iraq that Congress supports new military force if Baghdad tries to keep the weapons programmes.

A U.N. biological weapons inspection team Saturday began investigating Iraq's germ warfare capability.

"I have an open mind at this stage," said team leader David Kelly of Britain.

"We will go to sites which we deem to be associated with biological activities. At the moment, I have an open mind," Mr. Kelly said.

He said he and others in his 28-member team had discussions with Iraqi officials, and "we have no indication that they possess such weapons."



KING MEETS S. KOREAN TEAM: His Majesty King Hussein Saturday meets with a South Korean parliamentary delegation led by Dongin Lee (see story on page 3)

Ensour heads for OIC conference

AMMAN (J.T.) — Foreign Minister Abdullah Ensour headed for Istanbul Saturday to attend a meeting of the foreign ministers of the Organisation of Islamic Conference (OIC), which is scheduled to discuss the Middle East peace process as well as to heal Islamic divisions created by the Gulf crisis.

Reports from Cairo said Dr. Ensour had arrived there en route to Istanbul. There was no immediate report of Mr. Ensour meeting any Egyptian officials.

Meanwhile, Iraq's effort to raise the issue of international sanctions against it at the OIC meeting blocked by Kuwait and its Gulf allies, reports said.

The conference is due to tackle political, economic and social issues of concern to the Islamic World. These include the current situation in the Middle East, developments in the Palestine problem, the condition of Islamic communities around the world, especially those living in Asian and African countries, as well as problems plaguing the Horn of Africa. The conference is also

expected to tackle economic difficulties encountered by the less developed Islamic countries of the world.

Kuwait and its Gulf allies Saturday blocked Iraq's attempt to raise the issue of U.N. economic sanctions at the meeting, delegates said.

Instead, ministers from the 45-nation OIC will discuss "consequences of the Iraqi aggression against Kuwait" at the meeting.

Iraq, seeking to end its economic and political isolation, sought to include sanctions as a humanitarian issue when senior officials met privately to draft an agenda before the meeting opens Sunday.

"The Iraqi representative spoke of the suffering of the Iraqi people because of the embargo as an issue of top urgency," one delegate said.

Iraq received backing from some member states including Libya, Algeria and the Palestine Liberation Organisation (PLO). Delegates said Kuwait's envoy countered with an onslaught against Iraq.

"The position of the Gulf states was crucial. They sided completely with Kuwait against Iraq," one delegate said.

A member of the Iraqi delegation told Reuters his country had sought to "turn a new leaf and close old dossiers."

He said the Kuwaiti representative had raised the issue of U.N. Security Council resolutions on Iraq's nuclear power. "These resolutions are devoted to destroying Iraq's strength for the interests of Israel," the Iraqi delegate said.

Diplomatic sources say the OIC meeting will also consider the impact of new moves towards Middle East peace.

Iraq is sending Minister of State for Foreign Affairs Mohammad Saeed Al Sahaf to the meeting, Turkish officials said.

"In Istanbul we hope to start a reconciliation meeting to smooth out problems between OIC member countries," said a diplomat from Senegal, which is preparing to host a full OIC summit in December or January.

All parties welcome Bush's announcement of Cyprus talks

NICOSIA (Agencies) — All parties involved in the Cyprus dispute have welcomed a surprise announcement by U.S. President George Bush of an international conference next month to try to resolve the island's 17-year division.

The Cyprus government said Mr. Bush's statement was "indicative of the interest of the United States and of President Bush personally in the solution of the Cyprus problem."

The National Council, grouping all Greek Cypriot political parties and chaired by President George Vassiliou, held an urgent meeting Saturday to discuss developments.

"We see it as a positive development," Turkish Foreign Ministry spokesman Murat Sungar said of Mr. Bush's announcement.

Rauf Denktaş, leader of the breakaway Turkish republic of northern Cyprus, also welcomed the prospect of talks. "We have said from the beginning that we are all for it but careful and watchful preparation is necessary for its success," he said.

The Bush announcement made banner front page headlines in the local press with several newspapers declaring "Nicosia taken by surprise."

Mr. Bush stated in Washington Friday that Greek Prime Minister Constantinos Mitsotakis and Turkish President Turgut Ozal had agreed to discuss the future of the island at a meeting in the United States in September.

North Atlantic Treaty Organisation (NATO) allies Greece and Turkey have frequently reached the brink of war in recent years because of the Turkish invasion and occupation of north Cyprus in 1974 and territorial differences in The Aegean Sea.

During his visit to Athens and Ankara last month Mr. Bush declared that the status quo in Cyprus was unacceptable and called on both countries to work for the settlement of the problem and to overcome their traditional enmity.

Cyprus government spokesman Akis Fantis said Saturday the White House later clarified that the projected conference would be convened by the U.N.

secretary-general and that Mr. Vassiliou and Mr. Denktaş would also participate.

It was also clarified that the United States, the Soviet Union, Britain and other members of the Security Council may also be invited to attend, Mr. Fantis added.

In Athens, Greek government spokesman Byron Polydoros said: "It is a very positive development... we hope the time has come that Turkey will contribute with its actions so that a just solution can be found to the Cyprus problem."

Greece and the Greek Cypriots had earlier objected to four-way talks between Athens, Ankara and the Greek and Turkish Cypriots, which they said put the breakaway republic of northern Cyprus on an equal footing with the internationally recognised Cyprus government.

Athens has urged Turkey as an act of goodwill to withdraw its estimated 30,000 troops from north Cyprus, which in 1983 declared a separate state, recognised only by Ankara.

King receives Arafat message

AMMAN (J.T.) — His Majesty King Hussein Saturday received a letter from Palestine Liberation Organisation (PLO) Chairman Yasser Arafat on U.S.-led Middle East peace efforts, the Jordan News Agency, Petra said.

The message was conveyed to King Hussein by Palestinian Ambassador to Jordan Al Tayyeb Abdul Rahim in an audience at the Royal Court Saturday afternoon, the agency said without elaboration.

The King, who met U.S. Secretary of State James Baker Friday, has offered to send a joint Jordanian-Palestinian delegation to a Middle East peace conference proposed for October.

"The time has come, hopefully, for the Palestinians to decide in view of all the circumstances and the opportunity that the moment presents for their participation in efforts for a comprehensive settlement," King Hussein told a news conference Friday.

Mr. Baker, who arrived in Amman Saturday, had flown to Morocco after four hours of talks in occupied Jerusalem with Palestinian leaders.

An advisor to Mr. Arafat said Friday the PLO was awaiting a U.S. invitation to the peace conference despite Israel's attempts to exclude it.

"We are waiting for an invitation. The Palestinians are a major part of the conflict and must be a major part of any settlement," said Bassam Abu Sharif, Mr. Arafat's political counselor.

Mr. Abu Sharif noted, however, that the organisation had not been asked to meet Mr. Baker during his scheduled three-hour visit Sunday to Tunis.

Asked whether such a meeting would take place, Mr. Abu Sharif replied: "Let's wait and see."

Palestinians who met Mr. Baker in Jerusalem made it clear that the PLO must decide whether a Palestinian delegation will participate in a peace conference, and who will comprise it.

"I think the meeting was constructive and frank, and our delegation listened carefully," Mr. Abu Sharif said at the organisation's headquarters in Tunis.

The Democratic Front for the Liberation of Palestine, the third largest PLO faction, said Mr. Baker should talk to the PLO while in Tunis.

"We won't kneel before the Israeli conditions and its selection of the Palestinian representation from among personalities instead of the PLO," the DFLP said.

It called on other nations, such as France and the Soviet Union, to pressure the United States to accept their view that the PLO could select Arab Jerusalem Palestinians as its representatives.

Mr. Baker scored his biggest gain on his Middle East trip Thursday when Israel agreed to take part in a peace conference

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Draft law on political parties to draw heated House debate

By P.V. Vivekanand
Jordan Times Staff Reporter

AMMAN — The Lower House of Parliament today begins debate on a draft law which, as and when approved by Parliament, will be another step forward in the democratisation process in Jordan by clearing the way for the legalisation of political parties in the Kingdom after a hiatus of 24 years.

The draft legislation, which was completed with philosophies and concepts drawn from the National Charter endorsed in June this year, is described as tough and all-embracing by many political analysts.

Some of the key elements, including provisions for strict punishment of potential party

activists found guilty of violating the regulations as laid down in the legislation, are bound to be the source of heated debates and target of sharp attacks and rejection in the House.

"The law is clearly designed to keep down the number of political parties and discourage the mushrooming of political groupings with no grass-roots support," said an analyst closely familiar with the legislation.

"Obviously Jordan does not want a situation like Sudan, where nearly 50 political parties sprung up (in 1985) and made a mess of the democratic process there following the ouster of Jafaar Numeri," said the analyst who preferred anonymity.

Informed officials said ear-

lier this year that as many as 40 specific Jordanian groups were preparing to apply for legalisation as soon as the draft law is passed, after amendments are found fit by Parliament, and enacted with a Royal Decree.

The draft legislation is intended to replace a law of 1955, which was very loose in structure and interpretation and allowed freer reins to political groups than in some of the democratically advanced countries in that there were no provisions for any government monitoring and scrutiny of their organisational and administrative structure and activities.

The 1955 law was suspended and all political parties banned in Jordan in 1957 following attempts to destabilise the country.

The 28-article draft that goes before the House today contains a series of measures clearly designed to keep a close government scrutiny over political groupings and their activities in the Kingdom, but many of the provisions appear to have been designed with the view that the House would challenge them and trim or possibly eliminate them altogether.

The draft law stipulates that any political party could be legalised if it has a minimum of 50 "founding members" above the age of 25 and none of them convicted of "felony, immoral conduct or any other crime excluding crimes of a political nature."

All the founding members should be Jordanian citizens for at least 10 years and should

be permanent residents of the Kingdom and should not carry any other nationality or belong to any non-Jordanian political organisation. Ordinary members who join the party after its legalisation should be 19 years or over.

The draft bans members of the Armed Forces or any of the security or Civil Defence departments as well as judges from joining any political party.

No party should be affiliated with or identify itself with or operate out of public or private institutions, religious, educational, or charitable organisations.

The law bans any party which imposes limitations on membership based on "religion, sect, sex or a social position" and says that democratic

bases should govern all — "organisational, financial and administrative" — aspects of the group's work.

Every party should "renounce terrorism in all its meanings, words and deeds, and avoid religious, sectarian, racial, communal and intellectual terrorism," and should resort to "free dialogue" as the basis for "democratic competition."

Every party should also remain committed to "the Jordanian Constitution and to defending and respecting the Constitution" and no group will be allowed to entertain any principle or objective which violates the Constitution.

Apart from sections related to procedures and timeframes of registering a political party

with the Ministry of Interior and provisions to challenge ministry decisions in the High Court of Justice to a panel of five judges, the draft law says that all applications for license will be considered null and void if the number of qualified founding members falls below 50 at any time between the date of submission of application and the date of approval.

The Ministry of Interior is given 60 days from the date of application to approve or disapprove the application and the party is considered legal as soon as the approval is published in the official gazette.

Key provisions in the law include prohibitions on any party "receiving, directly or indirectly, funds, instructions

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Non-government agencies appeal for immediate end to Iraq sanctions

The following is the text of a statement drafted by representatives of international non-governmental agencies in Iraq, including the American Friends Service Committee, Quaker Peace and Service and Mennonite Central Committee.

ECONOMIC SANCTIONS against Iraq, now in force for a year, are denying the Iraqi people adequate food, medical care, clean water and electricity. The cumulative shortages have already produced widespread suffering and caused tens of thousands of unnecessary deaths, especially among infants and children.

Unless sanctions are relaxed immediately, all but the wealthiest and most powerful of Iraq's 18 million people are certain to experience new epidemics of disease, other fatal health problems, and increasingly severe malnutrition culminating in a major famine.

Staff of non-governmental organisations involved in relief operations in Iraq have witnessed the consequences of sanctions at first hand. We have seen emaciated, dehydrated infants dying of malnutrition and diarrhoeal infections in pediatric wards. We have spoken to poor mothers who say they have nothing but sugar water to feed their babies, and to angry doctors who say that they are unable to treat their patients for lack of basic drugs. We know of recent cases where women in childbirth needing caesarean sections and accident victims in need of emergency treatment have died in provincial hospitals for want of anesthesia to perform surgery.

We have seen food prices rise beyond the ability of lower and middle class families to provide adequately for themselves. Even before a sharp increase last week a supply of infant formula cost as much as the average Iraqi earned in a month. A five-pound bag of flour costs the proportional equivalent of \$80; a bag of sugar \$113. A two-pound bag of rice was \$60; a pound of ground beef \$87. Eggs cost \$53 a dozen. A pound of tea was \$187. Last week most of these prices increased suddenly by 300 to 400 per cent, so that a five-pound bag of sugar, for example, is now the equivalent of more than \$400. It is not clear whether these new increases will be temporary or long-term. They may be a result of the current tension and fear of renewed hostilities, or they may reflect the growing scarcity of food supplies. The impact of these food price increases is cushioned somewhat by the government food ration programme, but these low-cost rations at present meet only a third of a family's nutritional needs and ration portions are certain to be reduced as the food shortage worsens.

Our contact with U.N. agencies confirms and broadens the picture drawn from our own experiences as non-governmental organisations. UNICEF and FAO have begun to issue warnings that a famine is pending in Iraq. Medicine Sans Frontiers reports that all types of drugs and medical supplies are desperately short supply in the country. Oxfam water engineers describe the drinking water in parts of southern Iraq, where water purification remains sporadic and waste treatment non-existent, as heavily polluted. The World Food Programme, before the last food price rise, calculated that an Iraqi family had to earn more than twice the national average income just to meet their basic nutritional needs.

All the evidence points to an imminent catastrophe. It is a catastrophe, moreover, that all of the international relief efforts presently underway or planned for the future will not be able to avert. The total value of food and medical supplies to be donated to Iraq by all international relief agencies in 1991 is approximately \$200 million. This is only 5% to 6% of the \$3.5 to \$4 billion worth of food and medicine that Iraq normally imports in a year. Even given an unprecedented increase in available funding in the future, U.N. agencies and non-governmental organisations could not expand their operations to meet needs of this magnitude. Donor resources are badly needed in countries like Sudan, Ethiopia and Bangladesh which cannot afford massive relief programmes. Limited U.N. and non-governmental organisations' resources should not be diverted to Iraq.

The only way to avert a man-made humanitarian catastrophe in Iraq is to relax the sanctions regime immediately. The U.S., Britain, France and other countries holding Iraqi assets should unfreeze them now. The U.N. sanctions committee should permit Iraq to export its oil. Iraq must be able to use its financial resources to purchase food, medicines, and the essential goods needed to reconstruct its electric power and civilian communications networks and to restart its paralysed economy. Monitoring by international agencies can insure that these funds are used to meet humanitarian needs.

The report of the recent U.N. interagency mission to investigate humanitarian conditions in Iraq recommends the unfreezing of Iraqi assets and the resumption of oil exports. Implementation of these recommendations is urgent, needed, and in fact long overdue. The first U.N. report on post-war conditions in Iraq warned over four months ago that the Iraqi people faced epidemics and famine if massive life-supporting needs were not rapidly met. While some needs, such as fuel and power have been partially met, blockages and delays in other areas have cost tens of thousands of lives. Further delays will take a much higher toll.

In addition to immediate implementation of the U.N. interagency mission recommendations we believe the following steps must be taken to insure the survival and well-being of Iraq's civilian population:

1). Medical supplies and food shipments must be delivered through the Iraqi government's existing distribution systems. The Ministry of Health's central stores, for example, must receive medicines, supplies and equipment and distribute them to hospitals and health centres throughout the country. The Ministry of Trade must be allowed to receive food shipments and organise distribution through its ration systems. Use of existing distribution systems is the only way to ensure efficient delivery to those in urgent need. As the U.N. interagency report suggests, U.N. agencies can play an important role as monitors to ensure equitable and appropriate distribution, but they cannot devise and operate



An Iraqi mother and her malnourished child

ate distribution systems for a country of 18 million.

2). Iraq's economy must be restarted. This is essential to restore agricultural and industrial production to meet basic civilian needs and to reduce present massive unemployment so that most Iraqis may again become self-supporting. Urban employment is currently estimated at 70%. The majority of Iraq's factories remain closed and their workers idle. This situation has last now for 6 months. It cannot be allowed to continue without violating the basic economic and social rights of the Iraqi people.

3). The civilian population should not be further harassed by the threat of resumed hostilities. It is totally unacceptable for 18

million lives to be held hostage to political and military interests. This week the Iraqi people, already exhausted by war, internal unrest and economic siege, are once again facing panic and steep inflation; those who can afford it are fleeing for safety as the prospect of new hostilities draws near. In this climate of fear and despair, it is impossible to attend to vital tasks of relief and recovery.

The unjustified economic, nutritional, medical and psychological suffering of the Iraqi people must be stopped. The time to make a decisive change of course is now. International decisions made in July 1991 will determine the future survival and well-being of the Iraqi people.

King receives Arafat message

(Continued from page 1) provided that the PLO play no role.

The insistence by the Palestinians who met with Mr. Baker that the PLO name the delegation could prove a stumbling block, but the organisation said they accurately represented its stance.

"These individuals, with a mandate from the PLO, drew Mr. Baker's attention to the danger of unconditional American support for Israel, which is setting conditions intended to abort the peace process," the Palestinian news agency Wafa said, quoting a PLO spokesman.

The spokesman, according to Wafa, said the Palestinians who met Mr. Baker "transmitted the PLO's positive response to the convocation of a peace conference, the success of which depends on the implementation of the PLO's legitimacy in representing the legitimate rights of the Palestinian people."

Yasser Abed Rabbo, a member of the PLO Executive Committee, said decisions are made in tandem with Jordan. "Coordination with Jordan is a bilateral matter... there is no problem between us and the Jordanians on this matter," Mr. Abed Rabbo said.

The disagreement on representatives is not with Jordan, but with the United States," he said.

He said the Palestinians wanted the right to choose their delegates, whether from inside the occupied territories or outside.

Commenting on the meeting between Mr. Baker and Palestinian leaders in Jerusalem Friday, Mr. Abed Rabbo said the Palestinians were looking for specific

guarantees. "There are no clear American answers regarding this matter, while the United States has given Israeli guarantees against our interests and the Palestinian representation," Mr. Abed Rabbo said.

The Wafa news agency quoted an official source as saying that for the peace process to succeed, the PLO requires five basic principles to be considered. It said that the purpose of the peace conference should be the implementation of Resolutions 242 and 338 that call for ending the occupation and Israeli withdrawal from all Arab lands occupied in 1967, including Arab Jerusalem.

The others included the recognising the legitimate rights of the Palestinian people, that it be allowed to choose its own representatives, that Jerusalem be included in the talks and that all settlements be stopped as soon as the peace talks started.

Egyptian Foreign Minister Amr Mousa said Friday there might be no Middle East peace conference unless Israel shows "less rigidity" towards participation by the Palestinians from Arab Jerusalem.

Mr. Mousa, who is en route to the Islamic foreign ministers conference in Istanbul, met Friday in Rome with Italian Premier Giulio Andreotti for talks on the Middle East.

Pio Mastroianni, the spokesman for Mr. Andreotti, said that during the talks Mr. Mousa reiterated the view of Egyptian President Hosni Mubarak that Israel also must discuss the Golan Heights and stop the policy of opening Jewish settlements in the occupied territories.

FAO reports Iraq facing massive famine

WASHINGTON (AP) — The Gulf war and a poor harvest have left Iraq's population, particularly its children, faced with the threat of massive starvation if food shipments are not received soon, a United Nations agency says.

The Food and Agriculture Organisation (FAO) said Iraq needs \$2.64 billion over the next year to purchase food to meet its minimum requirements and another \$500 million to rebuild the agricultural sector.

The \$500 million would go to purchase fertilisers, pesticides, animal feed, machinery and repair irrigation and drainage systems damaged in the war.

"What is urgently needed now are immediate steps to enable Iraq to finance the purchase of the basic food imports to avoid needless deaths," said Ednard Saouma, FAO's director-

general, in issuing the report whose release came on the one-year anniversary of Iraq's invasion of Kuwait.

"The situation is particularly alarming for the children, pregnant women and nursing mothers."

Inflation is also adding to the crisis, FAO said, by driving up the prices for staples. Compared to last year, the price of wheat flour has jumped 48 times, while prices for rice have risen 22 times; vegetable oil, 20 times; sugar, 21 times; and powdered milk, 19 times.

Average incomes, however, have shown only moderate gains, and the country of 18.7 million is facing growing unemployment, FAO said.

Based on an on-the-spot assessment of Iraq's needs between late June and mid-July, the Rome-based FAO found the food supply deteriorating rapidly.

The report, released in

Rome and Washington, said the poor harvest "will further increase the country's dependence on imports, which even in good years has meant that approximately 70 per cent of its food needs must be imported."

FAO said the government rationing system can only provide about one-third of the typical family's food needs, and that the situation was particularly alarming for meeting the nutritional needs of children, pregnant and nursing women, and households headed by widows.

"Several independent studies and direct observation by the mission confirmed the high prevalence of malnutrition among children," FAO said. "There are numerous, reliable reports of families resorting to sales of personal and household items to meet their immediate needs."

While the U.N. Security Council's embargo against

Iraq allows the country to import food, it cannot sell its oil on the world market and raise money for those purchases.

The Security Council is expected to consider later this month a proposal that would allow Iraq to sell a limited amount of oil to be used to purchase food, medicine and relief supplies. The oil revenues would be placed in an escrow account, with the United Nations monitoring the purchase and distribution of the humanitarian supplies.

FAO said the cereal harvest in Iraq will reach only 1.25 million tonnes, about one-third of last year's record harvest. Livestock has been reduced by nearly 50 per cent and the poultry industry was nearly destroyed by the effects of the war this winter. Stocks of fertilisers, insecticides and vaccines have also been used up and seed supplies are extremely short.

14,000 Iranian civilians reported killed in war

UNITED NATIONS (R) — About 14,000 Iranian civilians were killed and 57,000 wounded during the eight-year Iran-Iraq war and more than 130,000 Iranian homes were destroyed, according to Iranian government figures given to a U.N. survey mission that recently visited the country.

Its report, handed to Security Council members this week, marked the first stage in assessing the damage suffered by Iran in the conflict, halted by a 1988 ceasefire, and the status of reconstruction efforts.

Another U.N. mission is expected to visit Iran to conduct a more detailed study.

"The war has had a direct and tragic impact on the civilian population," the report said.

"According to government estimates, 14,000 civilians were killed and 57,000 wounded, of whom 37,000 are permanently

disabled. In addition the authorities have to cope with the care and resettlement of nearly 1.25 million persons displaced by the war."

The Iranian authorities estimated direct damage to the economic sectors at 31 trillion rials (\$440 billion) and indirect damage at 35 trillion rials (\$500 billion).

The mission, headed by former U.N. Under-Secretary-General Abdul Rahim Abby Farah, found that damage to Iran's infrastructure would require several years of repair or reconstruction, "and in consequence restoration of services and production to the level that prevailed at the outbreak of the war could be seriously delayed."

While an impressive amount of repair and reconstruction work had already been carried out in

the transport sector, much of it was done under war conditions and with improvised parts.

"The consequence of this is that a great deal of the repairs carried out to date are 'band-aid' solutions with limited life."

The mission said the oil industry, the lifeline of the national economy, "suffered massive destruction," with the Abadan oil refinery, among the world's largest, virtually destroyed.

It had been partially reactivated and was now producing 140,000 barrels of fuel a day, compared with 630,000 barrels at the outbreak of war.

"Monumental efforts are being made to bring the Kharg Island seaport back to productive life, while in the Persian Gulf offshore drilling areas, where many production and drilling

platforms were either destroyed or severely damaged, reconstruction work is under way."

Detailing damage to agriculture, a mainstay of the economy in the western and southern provinces, the report said large areas of arable and cultivated land were destroyed by the construction of levees, embankments, vehicle-holding grounds, and the heavy traffic of tanks and other military vehicles.

Damage to the date industry had been "so great that its consequences will be felt for the next 10 to 15 years."

"Out of seven million trees under production in Khuzestan over three million mature plants have been destroyed in Kahrizk, shahr, Abadan, and Shahr-e Kord, representing a loss of 155,000 tons of dates per year of production."

U.N. envoy optimistic about Ethiopia's future

LONDON (R) — Ethiopia has its best chance in decades to recover from war and drought, a United Nations aid official for the country said Friday.

"For the first time, probably for 30 years, Ethiopia was a chance. Most of us in the development field have a quiet sense of optimism about the country's prospects for the first time," Paul Ignatieff, United Nations Children's Fund (UNICEF) representative in Addis Ababa, said in an interview in London. The conflict in Ethiopia had made his organisation's work easier, but access to areas long kept out of bounds created new challenges.

UNICEF's main brief is the welfare of women and children and the reconstruction of health, basic education and sanitation facilities. It is involved in the distribution of food aid throughout Ethiopia.

"The authorities in Eritrea and Ethiopia are being very consistent and pragmatic. There is a sense of reaching out to the people in both parts of the country, and particularly on the Ethiopian side," Mr. Ignatieff said.

"All that said, there are incredible problems that confront the country. It is not going to be easy, but at least for the first time it looks like something can happen."

UNICEF is appealing for \$42.7 million for its 1991 projects in Ethiopia, instead of the \$17.8 million it had originally planned for in January, Mr. Ignatieff said.

"In 1992 we're going to need hundreds of millions, but I'm very concerned that we are not going to get that," he said.

"We have had the problems of Eastern Europe, the Kurds. For governments, this is halfway through their financial year. People are also thinking more about their holidays than starving children in Ethiopia."

Ethiopia was racked by war, drought and 14 years of disastrous marxist policies under ex-

President Mengistu Haile Mariam.

In May this year, Colonel Meles Zenawi was forced to flee as troops of the Ethiopian People's Revolutionary Democratic Front (EPRDF), an alliance of guerrilla forces, advanced on Addis Ababa after taking control of most of the country.

The EPRDF formed an administration in the capital with EPRDF leader Meles Zenawi as president. The Eritrean Peoples Liberation Front (EPLF) took control of Eritrea after waging a 30-year independence campaign in the northern province.

Carter denies allegation he vowed to 'f... the Jews'

WASHINGTON (R) — A new book on U.S.-Israeli relations says that Jimmy Carter was so angry with Israel by the end of his presidency that he vowed to "f... the Jews" if he were reelected.

Mr. Carter, who failed to win a second term in office, denied the charge, the former president said Friday through a spokeswoman, Cary Harmon, that the quote attributed to him was "totally untrue."

According to the book, "Dangerous Liaison—the Inside Story of the U.S.-Israeli Covert Relationship," Mr. Carter made the remark after discovering that then Israeli Prime Minister Menachem Begin and New York Mayor Ed Koch had discussed how best to undermine the Carter bid for reelection in 1980.

"If I get back in, I'm going to f... the Jews," the book quotes Mr. Carter as telling a meeting

with political advisors in the spring of 1980.

According to the authors, Andrew and Leslie Cockburn, who are also documentary filmmakers, the U.S. National Security Agency intercepted several telephone conversations between Mr. Koch and Mr. Begin's office in occupied Jerusalem.

"The Israeli prime minister was advising the American mayor of the best means of defeating the president of the United States," the book says. "Given this intelligence, it was hardly surprising that Carter bitterly vowed revenge."

The book says Israeli leaders perceived Mr. Carter, who held office from 1977 to 1980, as unfriendly towards the Jewish state because he was pressing for Israeli concessions on the Palestinian issue and called for a

"Palestinian homeland."

According to the authors, Israeli enmity towards Mr. Carter was not even assuaged by his brokering the 1978 Camp David agreement on peace between Israel and Egypt. The accord won him a permanent place in Middle East history.

According to the book, the Israelis were kept informed of Carter's policy-making deliberations by highly placed Jewish Americans with inside knowledge, including former Secretary of State Henry Kissinger.

The central theme of the book, published by Harper Collins, is that the "symbiotic relationship" between the United States and Israel has been underpinned by a secret 1951 arrangement under which Israel placed its intelligence services at the service of the Central Intelligence Agency.

That link, the authors argue, withstood shifts in official U.S. foreign policy under administrations which differed with the Israelis, such as those of Dwight Eisenhower and Mr. Carter.

The book says that the advent of the Bush administration brought new strains to U.S.-Israeli relations and suggests that, unlike many of his predecessors, Secretary of State James Baker began in office with a cool attitude towards Israel.

After Mr. Baker became secretary of state, the book says, he was asked by a friend whether he had noticed that "every administration leaves office having conceived an intense dislike of the Israelis."

The book says: "Baker laughed and replied 'what do you do about someone who comes into office feeling that way?'"

JORDAN TIMES DAILY GUIDE AND CALENDAR

JORDAN TELEVISION

Tel: 773111-19

PROGRAMME TWO

18:00 Documentary
18:30 Le Chevalier de Giel
19:00 News in French
19:15 French varieties
19:30 News in Hebrew
20:00 News in Arabic
20:30 Yes Minister
21:00 Documentary
21:30 News in English
22:30 Hunter

PRAYER TIMES

05:21 Fajr
06:42 (Sunrise) Doha
12:42 Dhuhr
16:22 Asr
19:35 Maghrib
21:02 Isha

CHURCHES

St. Mary of Nazareth Church Swifeth
Tel. 810740
Assemblies of God Church, Tel.
625785
St. Joseph Church Tel. 624590.
Church of the Annunciation Tel.
637440.
De la Salle Church Tel. 661757
Terrence Church Tel. 622366

Church of the Annunciation Tel.

623541.
Anglican Church Tel. 625383, Tel.
628543.
Armenian Catholic Church Tel.
771331.
Armenian Orthodox Church Tel.
775261.
Syrian Orthodox Church Tel. 771751.
Amanan International Church Tel.
685326.
Evangelical Lutheran Church Tel.
811295.
The Church of Jesus Christ of Latter-
Day Saints Tel. 623824, 654932.
Church of the Nazarene tel. 675691.

WEATHER

Bulletin supplied by the Department of
Meteorology.

Drop in temperatures and rise in
humidity will take place and winds will
be westerly moderate. In Aqaba winds
will be northerly moderate and seas
calm.

Min./max. temp.
Amanan 20 / 30
Aqaba 25 / 38
Djorah 22 / 34
Jordan Valley 25 / 38

Yesterday's high temperatures: Am-

man 32, Aqaba 40. Humidity readings:
Amanan 42 per cent, Aqaba 27 per
cent.

USEFUL TELEPHONE

NUMBERS

NIGHT DUTY

AMMAN:
Dr. Jassem Marqad 776046
Dr. Kayad Halayqa 705522
Dr. Muhammad Ashour 886993
Dr. Awni Hawamdeh 777665
First pharmacy 661912
Fendows pharmacy 778336
Al Asema pharmacy 637055
Nasroukh pharmacy 623672
Al Solan pharmacy 636730
Yacoub pharmacy 646045
Shmeisani pharmacy 637660

IRBID:
Dr. Issam Othman (—)
Al Sharran pharmacy 275825

ZARQA:
Dr. Zaid Ju'isban (—)
Khaleef pharmacy 985417

EMERGENCIES

Food Control Centre 637111
Civil Defence Department 661111
Civil Defence Immediate 630341
Rescue 199
Rescue Police 192, 621111, 637777
Fire Brigade 891228
Blood Bank 771212
Highway Police 843402
Traffic Police 896390
Public Security Department 63021
Hotel Complaints 605800
Price Complaints 661176
Water and Sewerage 897467
Complaints 787111
Amanan Municipality 010230
Telephone Information 121
Overseas Calls 010230
Central Amanan Telephone 623101
Aqaba Telephone Repairs 661101
Jordan Television 771111
Radio Jordan 774111
Water Authority 660100
Jordan Electricity Authority 813615

HOSPITALS

Electric Power 636381
Company 08-53200
RJ Flight Information 08-53200
Queen Alia Int. Airport. 08-53200

FOR THE TRAVELLER

QUEEN ALIA

INTERNATIONAL AIRPORT

This information is supplied by Royal
Jordanian (RJ) information depart-
ment at the Queen Alia International
Airport Tel. (08)53200-5, where it
should always be verified.

ARRIVALS

Royal Jordanian (RJ) Flights

(Terminal 1)

08:15 Vienna (RJ)
10:30 Aqaba (RJ)
10:30 Jordan (RJ)
10:45 Doha, Abu Dhabi (RJ)
11:00 Doha, Bahrain (RJ)
11:30 Beirut (RJ)
17:00 Madrid (RJ)
18:00 Cairo (RJ)
18:25 Istanbul (RJ)

Other Flights (Terminal 2)

12:40 Paris, Geneva (RJ)
14:45 Tripoli (LJ)
18:30 Bahrain (CJ)
20:30 Larnaca (CJ)
20:30 Beirut (ME)

DEPARTURES

Royal Jordanian (RJ) Flights

(Terminal 1)

07:30 Beirut (RJ)
08:15 Aqaba (RJ)
10:30 Tunis, Casablanca (RJ)
12:30 Cairo (RJ)
14:00 Istanbul (RJ)
20:30 Larnaca (RJ)
21:00 Doha, Bahrain (RJ)
21:15 Abu Dhabi, Dubai (RJ)
21:30 Damascus (RJ)
21:45 Kuala Lumpur, Singapore (RJ)
22:45 Jeddah (RJ)
22:45 Bangkok (RJ)
06:05 Sanaa (RJ)

Other Flights (Terminal 2)

10:25 Rome (A2)
13:40 Tripoli (LJ)
18:15 Bahrain (CJ)

MARKET PRICES

Upplower price in Jds per kg

Apples 600-650
Apricots 400-450
Bananas 300-350
Beans (Mukammal) 450-500
Beans 350-400
Cabbages 100-150
Carrots 240-300
Cauliflowers 180-220
Cereals 120-150
Cucumbers (large) 250-300
Cucumbers (small) 250-300
Eggplants 200-250
Garlic 800-900
Grapes 350-400
Grapefruit 400-450
Lemon (green) 400-450
Lemon (yellow) 400-450
Marrow (large) 300-400
Marrow (small) 200-250
Onions 300-350
Oranges (big) 200-250
Oranges 400-450
Peaches 400-450
Pears 400-450
Pineapples 600-650
Potatoes (new) 300-350
Pumpkins 200-250
Sage 400-450
Sweet melons 250-300
Tomatoes 150-200
Watermelons 20-30



His Royal Highness Crown Prince Hassan Saturday confers with a South Korean parliamentary delegation (Petra photo)

Jordan, S. Korea discuss ties

AMMAN (Petra) — His Majesty King Hussein received at the Royal Court Saturday the visiting six-member South Korean parliamentary delegation led by Dong-gin Lee.

At the meeting, the Jordanian-Korean friendship relations were reviewed in the presence of Dr. Ahmad Innab, chairman of Parliament's Foreign Affairs Committee.

The Korean delegation was received later by His Royal Highness Crown Prince Hassan with whom they discussed Middle East issues and current efforts to find a peaceful settlement to the Arab-Israeli conflict.

Prince Hassan spoke about Jordan's democratic experiment.

Mr. Lee stressed the need for maintaining strong Korean-

Jordanian relations and extended an invitation to the Crown Prince to pay a visit to South Korea.

The delegation also conferred with the speaker of the Lower House of Parliament, Dr. Abdul Latif Arabiyat.

Mr. Lee told Dr. Arabiyat that he was ready to exert all efforts to boost relations with Jordan and help the Kingdom in all fields, especially in bolstering its national economy.

The meeting, in Dr. Arabiyat's office, in the presence of several Parliament members, comes on the third day of the delegation's visit to Jordan.

Dr. Arabiyat discussed with the Korean parliamentarians cooperation with Jordan in various fields, stressing the import-

ance of bolstering ties of friendship between the two peoples.

Mr. Lee and his delegation also met with Speaker of the Senate Ahmad Al Lawzi and with House members to discuss Korean-Jordanian parliamentary and economic cooperation.

Mr. Lawzi praised Korea's stand vis-a-vis the Palestine question and its support for the Palestinian people's rights in their homeland.

Mr. Lee thanked Jordan for its support of Korea's bid to become full member of the United Nations and extended an invitation to Mr. Lawzi to visit South Korea at the head of a Jordanian parliamentary delegation.

Investment in the economic sector bound to promote national development — minister

AMMAN (Petra) — Jordan is pursuing a programme of investments in the economic field, especially in industrial production projects, and is currently working towards expanding the existing major industrial schemes, those related to phosphate, potash, fertilisers and cement, Minister of Trade, Industry and Supply Ali Abul Ragheb said Saturday.

"Small-size projects are also tools for development because they have the quality of moving fast and are capable of undergoing changes that suit the changing needs of the society," the minister noted in an address to the opening session of a symposium on investments in small industrial projects and their role in promoting the national economy.

Jordan, he said, is currently facing a host of economic challenges, including a deficit in the balance of payment, a large volume of debts, a deficit in the fiscal budget, social problems like unemployment and pockets of poverty. All these, he said, require due study and constructive discussions so that a package of practical proposals can be put forth to contribute most positively towards solving problems that impede the country's progress.

The minister told the symposium, which was organised by the Jordanian Engineers Association (JEA), in cooperation with the Industrial Development Bank (IDB), that Jordan was in need of creative initiatives and serious work by individuals and groups to initiate small industries capable of offering employment to people.

"Expansion in the current major industries depends on the locally produced raw materials on the one hand and the infrastructure on the other, together with the existence of world markets buying Jordan's products," the minister said.

He said that Jordan could by no means continue to set the basis for major industries in the future if the country lacked financial means for them.

"The country is also facing the problem of covering the cost of purchasing foreign products and the question of soaring energy costs as well as competition on foreign markets," the minister added.

He said that investment in small industries has now become an urgent national need.

Mr. Abul Ragheb also stressed the need for a transformation in the way of thinking of university and community college graduates



Ali Abul Ragheb seeking jobs. They, he said, should opt for investment opportunities, invest their own skills to support themselves and offer services to others.

The minister expressed the view that the achievement of such qualitative improvement requires the presence of a pioneering group of young men willing to embark on this experiment and provide practical evidence that such orientation can give impetus to national economic development and can yield a positive change in various commercial, industrial and agricultural fields.

The Ministry of Industry and

Trade, the minister added, would adopt an open door policy, welcoming new ideas and proposals for investments and providing support for the youth and investors to help them achieve success in their various endeavours.

JEA President Ismail Brewish told the opening session that industry was one of the most important pillars of the national economy because through industry the nation can provide protection to the country's security and food needs in times of foreign threats and monopoly.

Mr. Brewish underlined the importance of small industries which, he said, can be operated by a few number of technicians and for which soft loans can be secured.

Small industries, he added, can be set up in any location outside major cities, thus curtailing the movement of people from rural to urban regions.

Small industries, Mr. Brewish added, form the basis for major industries and can create job opportunities for a large number of people, thus contributing towards curtailing the volume of unemployment.

The country is now in dire need of investments in industry to reduce its dependence on other

nations and to lay the ground for a major national industry, capable of competing with other countries in the foreign markets and earning the country badly needed foreign currency.

According to Tayseer Wahbeh, who represented the Industrial Development Bank at the opening session, industry accounts for 18 per cent of the gross national product in Jordan and employs 11.5 per cent of the total workforce in the country's non-governmental sectors.

Chairman of a committee who prepared for the three-day seminar Amjad Haddad said that participants would review working papers on the role of the Industrial Development Bank in financing development schemes and small industries, the role of consultancy services in developing small industries and other pertinent topics.

He said that the participants would also discuss the role of the General Union of Voluntary Societies (GUVS) financing industrial plans and creating new jobs for the unemployed.

Ministry of Industry and Trade senior officials were present at the opening of the seminar.

Weeks turn into months, months into... as repatriates struggle to survive

By P.V. Vivekanand
Jordan Times Staff Reporter

AMMAN — It would only be a matter of weeks before returning, reasoned Ismail Abdul Fatah when he crammed his wife and seven children into his tiny station-wagon and drove out of Kuwait to Iraq and then Jordan in mid-January amidst the roar of warplanes and bombing in the emirate.

Now weeks have turned to months, and Mr. Abdul Fatah has given up all hope of returning to Kuwait, his home for over 30 years. Instead, he has taken up a JD 70-a-month job in a small plastic factory outside Amman and is fighting an endless uphill battle to make ends meet.

"There was not enough room in the car for any baggage," recalls Nameh, mother of Mr. Abdul Fatah's three boys and four girls. "All we could bring was some blankets to protect ourselves from the cold in the way to Jordan."

Gathering six of her children around her in the indescript living-cum-bedroom of her two-room shack at Marj Al Hammam, Nameh had trouble controlling tears as she recounted how she and her family had a comfortable life in Kuwait.

"We did not have thousands of dinars in the bank, but we had a decent life," she said. "And we were content with that."

Now, with Mr. Abdul Fatah's take-home salary of JD 70, Nameh says, it is "impossible to feed ourselves after paying the rent of JD 30 plus water and electricity charges."

"There is never enough bread on the table, let alone chicken or meat," she said. "Sure we have our car, but it has been standing here for the past month since we don't have



The family of Ismail Abdul Fatah, gathered in their sparsely furnished living-cum-bedroom, has a bleak future to look forward to (Photo by Youssef Al 'Allan)

enough to pay for gas to go out."

"Do you know how it feels like to be a mother and say 'no' to her children who are asking for something better than lentils and bread every day of the week, every week of the month?"

The only "luxury" in Nameh's shack is a small colour television set perched on a make-shift table squeezed into the midst of worn-out mattresses which double as chairs.

"It is not something we could afford, but we bought it second-hand — and that too in instalments — since life would be hell for all of us without a television to divert the children's attention," said Nameh, whose youngest children are three and two years old.

"This is all I can offer you," she added apologetically as she

served minted tea a few minutes later. Did the tea come at the expense of her children's afternoon drink? One would never know, but to have said no to her hospitality would have definitely hurt the proud woman.

Perhaps the Abdul Fatah family is lucky, when considering that tens of thousands of returnees from Kuwait like him do not have even a 70-dinar-a-month job.

"We estimate that around 10 per cent of all returnees from Kuwait are well off, with very good savings and bank deposits," said Mohammad Ayyash Muhlem, head of a Jordanian committee which offers help to returning expatriates.

"About 55 per cent are managing without having to wait for hand-outs in the short-term, but they will soon join the

rest — 35 per cent — who are the worst off." Mr. Muhlem said. "None of them had any savings — since they were supporting families in Jordan or in the West Bank with their limited salaries in Kuwait — and had to leave Kuwait with nothing to their name."

Mr. Abdul Fatah is a typical example of this category. Born in a village near Hebron in the West Bank, he was taken to Kuwait by his family in 1962 when he was three years old. He grew up there, went to school and secured a job at a research centre in Kuwait City.

Mr. Abdul Fatah married Nameh when he was 19 and settled down. But he had to look after his mother who was living in Amman and also support close family members in his native village.

"We did not have any se-

rious difficulties to manage ourselves and send our children to school as well as send some money to Amman and Hebron every month," Nameh recalled. "Of course there was nothing left to deposit in the bank, but we were never worried about that."

"Now I dread to imagine a situation when any of my children falls sick," she said. "How are we going to pay the doctor?"

In theory, the Abdul Fatah family is Jordanian, the father being a holder of Jordanian passport even before 1967. But he has little roots in Jordan, or in the West Bank except for some relatives in Hebron.

Even if he did have any roots in Hebron, he cannot go back there since the Israeli occupation authorities do not permit it.

"Of course if there is peace tomorrow with the Israelis, we can go back," said Nameh. "But in the meantime, we are here, suffering the consequences of something we never did," she added.

"We don't want to blame anyone or get into politics, but can you deny that the Palestinians paid the highest price for Iraq's invasion of Kuwait?"

A tricky question indeed. Answers could be many, but nothing that would really satisfy Nameh, who is more worried over her children, how to clothe and feed them today rather than thinking of peace conferences and Palestinian representation.

Nameh dreads the day when schools reopen after vacation. "We don't know how we can buy books and uniforms," she said. And, as her children's faces fell, she turned around and soothed them: "Don't worry, we will find some way to get you books when you go to school."

Australia ready to open doors to Arab students

By Nur Sati
Special to the Jordan Times

AMMAN — In a move that aims at "encouraging students to pursue higher education and work legally in Australia," the representative for the Australian Business College for the Middle East and the Gulf Countries was currently in Jordan talking to concerned specialists about the prospects of studying there.

As Chanderkaur Jolly pointed out, "there are many incentives for students to study in Australia." They include the fact that Australia is an advanced country with a minimum percentage of crime. There are no cases of drugs, according to him, and students can work there legally (on their student visas) 20 hours a week and unlimited hours during vacations.

The Ministry of Higher Education, according to Mr. Jolly, asked for detailed information such as the cost of living for students and the country's background.

Although the move appears to be encouraging for those who want to immigrate, Mr. Jolly insists that "this is not aimed at making it easy for them." The students must go back to their countries after they graduate.

According to reports, the college has a 90 per cent success rate in placing graduates.

Australia's shift, to interweave different cultures, is a new process which began in 1985. The country now has a mixture of Indians, Pakistanis, Sri Lankans, Philippines and Koreans. "There are very few from the Arab community," Mr. Jolly said. But, "we would like to see more Arabs in Australia" because it helps to strengthen attitude towards students and work.

Before arriving in Jordan, Mr. Jolly was in Dubai and Abu Dhabi, briefing the public about Australia.

Like other developed countries, Australia experienced a recession in recent years, but the economy is getting on its

feet again, according to reports. Part-time jobs for students are not affected. Income from these jobs does not exceed the taxable level, so students are exempt from taxes, the chairman of the business college had said in Abu Dhabi.

Furthermore, Australia has a low cost of living. Students are only required to pay 60 to 80 per cent of the educational costs in Australia.

"What happens now," said Mr. Jolly, "is that I go back and report to the chairman, and based on my report we will visit Jordan again, in the near future, to hold a seminar on education in Australia and certain facts of life."

Though Mr. Jolly did not meet many students here, from the few that he did meet "they seem to be very interested." He said: "I think they can cope well. They are hardworking and want to learn." But for most, they "would have to enroll in a preparatory English course before anything," Mr. Jolly added.

ACC report shows increase in agricultural investments

AMMAN (Petra) — The Agricultural Credit Corporation (ACC) has just released a report about its operations showing that investments in irrigated and rain-fed regions in Jordan and reclamation of land have sharply increased between 1986 and 1990.

Giving loans to farmers and land developers over the past five years has increased to JD 7.5 million, up from JD 4.7 million in 1986, according to the report.

The loans financed the purchase of requirements for crop production and agricultural development, in different forms, during the past five years, the report said.

It said that the loans had financed such projects as reclaiming land, planting fruit trees, utilising surface and underground water resources, setting up livestock and poultry farms, purchasing agricultural requirements, like fertilisers and seeds, and building irrigation canals.

The past five years saw an increase in the number of people directing attention towards farm-

ing. New borrowers from ACC funds accounted for 71 per cent of the total number of farmers obtaining loans for development projects, the report said.

It said that projects worth no more than JD 1,000 accounted for 78 per cent of the total loans given to the farmers in the past year.

The report noted that payment of debts by farmers was going on well, with the farmers last year settling JD 6.2 million of their debts, compared to JD 5.3 million in 1989. Such a trend, it said, reflects the increased attention given by the ACC to collecting its dues from borrowers in various governorates.

According to the report, the ACC's total assets by the end of 1990 amounted to JD 36.6 million, compared to JD 33.8 million by the end of 1989.

It said that this was a real achievement, reflecting the government's determination to give more attention to the ACC's activities which are of benefit to all farmers in the Kingdom.

Meeting tackles solid waste management

AMMAN (J.T.) — Delegates from 12 Arab and foreign countries in the Mediterranean region gathered at the Ambassador Hotel Sunday for a five-day meeting to tackle issues related to solid waste management.

The meeting is organised by the United Nations Development Programme (UNDP) in cooperation with the Regional Bureau of Arab States at the World Bank and the World Health Organisation (WHO).

The participants will discuss several working papers and listen to experiments by the participating nations on dealing with solid waste. They will share views about the best means of dealing with or disposing of solid waste.

Apart from the Arab states in the Eastern Mediterranean region, the meeting is attended by delegates from Cyprus, Pakistan and Iran, according to the WHO's regional Centre for Environmental Health Activities (CEHA) office in Amman.

The office said that the meeting, which will be opened by Health Minister Mamdouh Al Abbadi, will discuss the Jordanian experiment in dealing with the disposing of solid waste.

The Jordanian experiment will be presented by experts working for the public sector.

Jordan to host 1992 Arab scouting camp

AMMAN (Petra) — Jordan will host in the summer of 1992 a pan-Arab scouting camp, and will organise various activities for the participants from various Arab countries, according to Minister of Youth Saleh Ershaidat.

The minister said that the scouts participating in the third pan-Arab scouting camp would listen to lectures, take part in various scouting activities, tour the countryside and Jordanian projects, archaeological sites and economic and scientific institutions and meet with Jordanian officials.

"In implementation of the new government's policy, as outlined to Parliament, the Ministry of Youth will embark on a new policy concerning the youth, helping young men and women direct their potentials and skills towards serving the nation," the minister said in a statement to the Jordan News Agency, Petra.

He said that the Ministry of Youth is now putting the finishing touches to a project by which a national fund will be established to finance sports and youth activities. The fund will draw contribu-

tions from the private and public sectors, the minister explained.

Dr. Ershaidat said that the coming months would witness the implementation of two projects linked to the contribution of young men and women towards protecting the environment from pollution and carrying out voluntary services that would be most beneficial to the country.

"The ministry is working out a comprehensive plan to stimulate the role of the Jordanian youth in the planting of trees, not only during Arbor Day celebrations, but throughout the year," the minister said. The project is to be carried out in cooperation with the ministries of agriculture, education, municipal and rural affairs and other organisations, he added.

The second project, said, will be the sports project for all citizens. The ministry, he said, will make available various sports equipment for citizens and youth clubs in different parts of the country in districts, public gardens and clubs so that all citizens can practice their favourite sports.

Tourism expected to boom

AMMAN (J.T.) — Jordan's tourism industry which was severely hit by the Gulf crisis is now picking up again and the country is expected to witness a revival in tourist activities in the coming state, according to Social Security Corporation (SSC) Director Mohammad Saqqaf.

"The expected increase in tourism activities requires preparations and more facilities to absorb the increasing number of tourists and this can be done through cooperation between the public and the private sectors," said Mr. Saqqaf at the inauguration of architectural exhibition at the Professional Association Complex.

The exhibition displays plans entered into an architectural competition for the design of a new hotel in Aqaba.

The expected three-star 350-bed hotel will be carried out in two stages, said Mr. Saqqaf. He said the project would be carried out by the SSC as part of its investment projects in the Kingdom.

In the first stage, 180 rooms will be built together with a great number of chalets around the hotel, Mr. Saqqaf explained.

He said that the second stage would begin once the studies and design have been completed.

Mr. Saqqaf, who estimated the project to cost JD 10 million, said that the new hotel would be built alongside the old Aqaba Hotel.

"The new hotel will be in line with the SSC's current programme of expanding the country's tourist facilities to absorb greater numbers of tourists from Jordan and abroad," said Mr. Saqqaf.

The SSC, he added, is determined to contribute most positively and actively to the development of the tourism industry in the country and enable Jordan to earn more hard currency in the process.

Jordan, which enjoys a central geographical location, abounds with historical and religious sites and remains of ancient civilisation which attract tourists from around the world, Mr. Saqqaf

said. He said with projects like hotels new jobs would be created for the Jordanian citizens and doors would open for the tourism industry.

In a statement earlier this week Mr. Saqqaf said that the SSC expected to collect JD 26 million in revenues in 1991 from its JD 400 million investments in various economic and developmental projects in Jordan.

The SSC's investments are in industry, agriculture, housing, banks and tourism, which ensure profits that could be reinvested in other projects, said Mr. Saqqaf.

Mr. Saqqaf told the ceremony Wednesday that the SSC, which operates several tourist facilities, had carried out development plans on its resthouses located at the Dead Sea, Debbin, Zay, and Al Azraq tourist sites. He said that the SSC had also enlarged its hotel and resthouse in the ancient city of Petra to make way for more expected numbers of visitors from Jordan, Arab and foreign countries.

WHAT'S GOING ON

The following listings are compiled from monthly bulletins and the daily Arabic press. Readers are advised to verify the listed time and place with the concerned institutions.

EXHIBITION

★ Exhibition of paintings and ceramics by Iraqi Artists Ibrahim Rashid and Maha Abdul Karim at Al-Art Gallery Insurance building, 1st Circle.

Jordan Times

An independent Arab political daily published in English by the Jordan Press Foundation. Established 1975.

Chairman of the Board of Directors:

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Jordan Press Foundation,

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Telex: 21497 ALRAI JO

Facsimile: 661242

The Jordan Times is published daily except Fridays.

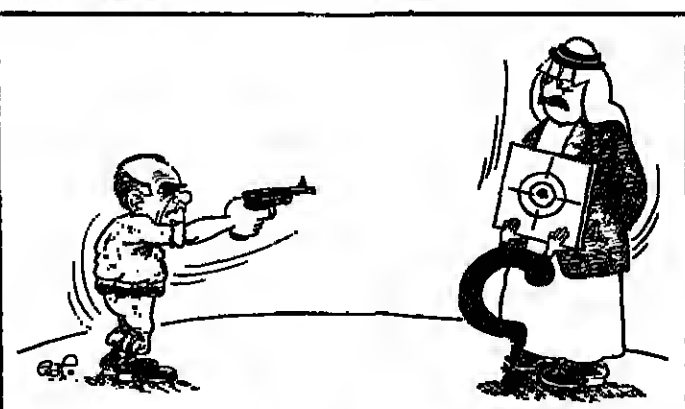
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Real peace needs real men

JORDANIANS were very pleased to hear U.S. President George Bush and Soviet leader Mikhail Gorbachev issuing a joint statement at the end of the Moscow summit Wednesday reaffirming their commitment to a "just and enduring" peace in the Middle East region. Jordanians in particular and Arabs in general have always sought a just peace. Because the Arabs, drawing from the U.N. Charter, Security Council resolutions and the American-Soviet commitment, believe that Israel had occupied Arab lands in a war that it launched and therefore should withdraw its forces to where they stood on June 4, 1967. Nonetheless, and because of their commitment to the cause of peace, the Arabs are not placing conditions on that particular main issue. So when Arabs hear the two superpowers talk of a just peace they can only feel satisfaction and hope the promise will be fulfilled. And, more than that, if peace would be durable and lasting then the Arabs and the Israelis would divert their energies and resources to peaceful means instead of engaging in futile wars every now and then.

The people of this region are fed up with wars, tragedies, displacement and misery brought by successive wars. It is time that the people of the region dropped their arms and picked up their spades to create a tranquil Middle East in which all live in peace and prosperity. Jerusalem, at the heart of the rivalry between Arabs and Israelis, could, if real peace is sought, become the symbol for people's coexistence and be turned into a real "city of peace" catering for the divine needs of Jews, Christians and Muslims and the national aspirations of Israelis and Palestinians.

A just and durable peace is not an illusion given the miseries that wars had brought on people. Real peace requires real men, men brave enough to conquer with their brains not with their arms.



ARABIC PRESS COMMENTARIES

JORDANIAN dailies Saturday tackled the Middle East question in the light of U.S. Secretary of State James Baker's tour and talks with Jordanian, Palestinian and Israeli leaders. His Majesty King Hussein has reiterated Jordan's positive stand and offered an umbrella for a Jordanian-Palestinian delegation to the coming peace conference in conformity with the pan-Arab position which demands the implementation of U.N. Security Council resolutions 242 and 338, said Al Ra'i Arabic daily. In contrast, Israel's government continued to place obstacles to peace by putting conditions on the Palestinian participation, coupled with statements that the settlement programme in the occupied Arab territories will continue, said the paper. In addition, Israeli Housing Minister Ariel Sharon has said that the peace process would lead to nothing except to the preparation for a new round of Arab-Israeli conflict, the paper noted. It said that such statements and such intransigent position can only prompt the Arabs to question the true intentions of the Israeli government with regard to the so-called peace process. The paper said that peace is something which the Israelis do not understand but is being used as a ploy by the Israeli leaders to continue to blackmail the Americans and the Arabs alike. Therefore, it must be frankly said that the establishment of peace requires a full Israeli commitment to withdrawal from Arab lands and recognition of the rights of the Palestinians including their right to choose their own representatives at the coming conference, and Israel must realise that withdrawal and respect of international legitimacy are not subject to negotiations and manoeuvres but a must, if a lasting peace is to be established.

A columnist in Al Ra'i daily Saturday stressed the importance of the Palestinian presence in any peace conference that without the Palestinians there can be no settlement. Tareq Masarweh said that Israel's precondition of approving the members of the Palestinian delegation can only mean that this government considers the Palestinians as slaves living in the occupied territories and subject to any kind of treatment by the Israelis who could choose to evict them from their homeland at any moment. The writer said there can be no peace without them. The Palestinians and if any negotiations are to take place without the result would be another Camp David treaty. What is required from the Palestinians now is not to give any further concessions, the writer continued. He said that the Israelis want peace with the Syrians but not with the Jordanians and the Palestinians and, therefore, the Palestinians should not give in to any Arab pressure nor pressure from the Soviet Union which is now selling Lenin it is quite feasible for them to sell out the Palestinians. The Palestinians should not take the advice from the Europeans because in reality they are Americans but should adhere to their own rights and legitimate property, the writer said. He said that a conditional "yes" from Israel should not force the Palestinians to say yes in the full sense of the word, he said that the Palestinians can say no to anything short of helping to fulfil their national aspirations.

Sunday's Economic Pulse

Water mismanagement breeds crisis

JORDAN is living under acute conditions of water shortage. Water crisis is no more a future worry alone, it is a present state of affairs. We have shortages of water in the Jordan Valley. The lands of that fertile land will not be utilised this year because of the lack of minimum irrigation water. Drinking water is not sufficiently available for civil use. Households in Amman receive water for 36 hours a week, and water does not always reach high spots. For industrial purposes, water represents the bottle neck; no new industries can be established if they intensively use water. Under these tough conditions of scarcity of water for agricultural, civilian, and industrial purposes, we should have taken all the feasible measures and introduced all possible incentives to conserve water, and put our limited water resources at the best uses without unnecessary waste.

So far what should be done in this regard is not being considered. The water policy runs on the opposite direction. The government is selling water for irrigation at one third of the actual current cost of its production and distribution. It is selling water to households and industry at half the actual cost. The results of this irrational policy are waste and misuse of the valuable and scarce commodity. Another tangible result is the accumulation of deficit in the books of the Water Authority, born by the Treasury, which is reflected in higher direct and indirect taxes. I cannot determine, out of hand, whether this distortion is

caused by excessive cost of production and distribution beyond the accepted economic standards, resulting from mismanagement and inefficiency on behalf of the water administration, or is caused by selling water at an artificially low price as a form of subsidy to keep consumers happy, and appease the agricultural lobby, at the expense of wasting our resources. What I am sure of is that this distortion and disparity between cost and price should be eliminated by either lowering the cost or raising the prices or by a combination of both measures.

The Water Authority finds itself in the comfortable position of having at its disposal all the running and ground water of the country free of charge. It is exempted from all taxes and levies. It is not understood why then should the authority fail to sell water at a price that can cover its operational cost in producing and distributing the water. Is it that the cost is excessive and must be reduced or is it that the prices are too low and must be raised? Is there something wrong or is it a typical example for the failure of the public sector in providing services at economical cost?

I venture the assume that all the above assumptions are true. The budget of the authority is self-explanatory. It heavily depends on governmental subsidies and incurs huge deficit left to the Ministry of Finance to cover. A total of JD 66 million of principal and interest accumulated and were paid on behalf of the Water

Authority by the Treasury until 1990. The ministry refers to such amounts as advances, while the real name is loss, deficit, and waste of taxpayers money. No way that such advances may be recovered in the future. They will only grow.

The annual deficit of the Water Authority reached JD 18.4 million to be covered by loans which everyone knows they will never be repaid. The only result of more borrowing under government guarantees is higher interest burden, and postponement of the moment of truth. Until when can we afford to watch this dangerous game go on? If we are unable to reform the production, distribution, and consumption of this vital item in a proper manner, how can we hope to put our house in order, and adjust our imbalances and achieve efficiency.

The Water Authority has so far failed to secure sufficient quantity of water, it failed to reduce its cost to an economical level, it failed to pay its debts, it failed to collect its dues from the users, it failed to price its product in order to recover the cost and prevent waste.

Will the new government look into the matter, or should we take it that distortion and irrationality are a way of life, which we have to resign ourselves to accept until the point of crisis is reached and correction is imposed upon us by the logic of crisis management or IMF harsh prodding?

Syria — a Gulf war winner but worried by U.S. strength

By Rawhi Abeldoh Reuter

DAMASCUS — Syria fought on the winning side in the war over Kuwait but can hardly feel at home in the Middle East power structure that resulted.

It still faces a bruising political struggle with Israel in a climate more dominated than ever by Israel's main ally, the United States.

Some officials say in private they fear the new "American age" will allow Washington, the sole remaining superpower, to dictate terms for a settlement between Israel and its Arab neighbours.

"Saddam Hussein is to blame for the Gulf war. But Iraq's defeat is a defeat to the whole Arab order," says a Syrian source close to the government's thinking. "Victory in the region went to America, and consequently to Israel," he said, adding that Israel, in its uncompromising stance, was acting as if it had won the war.

"For the Arabs, America is the foe and the judge at the same time," he said.

Syrian President Hafez Al Assad showed he had no illusions about the reality of Washington's commitment to Israel when he spoke of an American "passion" for Israel in an interview last week with the Washington Post and Newsweek magazine.

"We shall not compete with them (the Israelis) about questions of passion. It is difficult to put passion in a logical way," he said according to the text of his remarks released in Damascus.

Political sources and diplomats say Mr. Assad had no alternative when he said "yes" on July 14 to U.S. President George Bush's

proposal for direct talks with Israel.

"Considering Syria's history of relations with the West, it could easily have been held responsible for killing what many say is the last chance for peace in the Middle East," a Western diplomat said.

"There is no other option, not because Syria does not want peace, but because the balance of power has changed. The Soviet Union is no longer helping us," a Syrian political analyst said.

"In fact, the Kremlin is

NEWS ANALYSIS

marketing to us the U.S. views."

Syria's most direct gain from sending 15,000 soldiers and 300 tanks to the U.S.-led alliance against Iraq was Western acquiescence to its policies in Lebanon.

Its troops, allowed a free hand, quickly ended a long stand-off with an Iraqi-backed Christian general, clearing the way for a post-civil war renaissance of central administration backed by Damascus.

But while Mr. Assad praised the U.S. administration for an "experience and enlightenment (that) is good for the region and good for the world," disappointments followed.

In the first flush victory of Kuwait, Saudi Arabia and other Gulf Arab states seemed willing to pay costs of a joint Egyptian-Syrian force to protect them against Iraq.

The plan, which would have given Damascus a more prominent voice in Arab council, has since fizzled out.

The Syrian source said Damascus was "disappointed with the

nature and the volume of aid given by Gulf Arab countries" after its wartime support.

"They are only financing a few projects here and there. There is no cash," he said, denying reports that Saudi Arabia and Kuwait gave Syria \$2-4 billion to buy weapons.

"America will never allow them to do that," the source said.

Among other issues, Israeli Prime Minister Yitzhak Shamir insists he will not withdraw from the Golan Heights occupied from Syria. Washington, speaking of a land-for-peace formula, refuses to recognise Israel's annexation of the heights but has not said it would help Syria regain them.

Maoy Syrian officials and ordinary people felt that Mr. Assad has shrewdly put Mr. Shamir in a corner by agreeing to Mr. Bush's land-for-peace proposals.

Few however believe Washington will use its political, military and economic leverage to press Israel into ceding Arab lands occupied in 1967.

Syria is now struggling to coordinate its policies both with Egypt, a Gulf war ally, and with Jordan and the PLO.

"With the divisions in the Arab World, it is so easy to deal with each one of us separately. We need to coordinate our views to bolster the Arabs' negotiating power," the source said.

He said it was highly unlikely that Syria would agree to a Western proposal, backed by Egypt and the Gulf Arabs, to suspend the Arab League's boycott of Israel in return for a freeze on Jewish settlements in the occupied territories.

Palestine Liberation Organisation officials said Damascus told a PLO delegation last week that it



would not take part in the proposed peace conference unless Palestinians were invited.

"Syria has left the issue of representation open to various interpretations, but they insisted that they will not go for a separate deal as Egypt did in Camp

David," said Omar Qteish, a spokesman for the Damascus-based Popular Front for the Liberation of Palestine said.

That position was reaffirmed in Mr. Assad's interview with the Washington Post and Newsweek. "Without land, there will never

be peace," he said in the interview that was timed to coincide with the summit meeting between Mr. Bush and Soviet President Mikhail Gorbachev.

"If Israel is not going to quit the occupied lands, why should we want peace?"

What did Glaspie tell the president?

By Sidney Blumenthal

"THAT'S history," is among President George Bush's favourite phrases, and he always makes it dismissively. His frequent desire for the disappearance of the past is a self-protective political instinct.

What's past is not prologue, especially if it's disquieting; it's irrelevant, or classified.

So it is with the Gulf war. Yet even as Mr. Bush considers whether to bomb Iraq again, history is refusing to stay buried. Secret cables sent to the State Department by the former U.S. ambassador to Iraq, April Glaspie, have revealed disturbing details about the origins of the war.

A week before President Saddam Hussein plunged into Kuwait last July 25, Glaspie was summoned to his Baghdad palace for an extraordinary meeting. Never before had any ambassador been called for a private audience with the president. What transpired remained secret until a month after the invasion, as President Saddam sought to justify himself.

One way was by releasing a transcript of his meeting with Ms. Glaspie. In the U.S. ambassador was delivering out a stern warning but warm sympathy. "We have no opinion on the Arab-Arab conflicts, like your border disagreement with Kuwait," she was quoted as saying. President Saddam had read her diplomatic language as expressing U.S. indifference to his war plans.

Ms. Glaspie soon became the scapegoat for the whole history of the U.S. administration's appeasement of Iraq. Secretary of State James Baker adroitly distanced himself from his subordinate, keeping silent on whether President Saddam's version was a misrepresentation. "What you want me to do is say that those instructions were sent

specifically by me on my specific order," he said. "There are probably 312,000 or so cables that go out under my name." Then the din of war overwhelmed the controversy.

State Department officials whispered to reporters that Ms. Glaspie's performance with President Saddam had been disastrous, but still the cable was withheld; and so was Ms. Glaspie herself. Some Foreign Service officers, shut off from the circle around Mr. Baker, believed she was being crucified for following orders.

On March 20, with the war over by a month, Ms. Glaspie suddenly appeared in public. For some time the Senate Foreign Relations Committee had been requesting her to explain what had really happened. Her cables were demanded, but the State Department stalled their release, and the committee decided to hold an informal hearing, before receiving the written evidence: a procedure easily exploited. The ambassador's moment of truth, or untruth, could not have been more ideally staged.

Ms. April Glaspie, in her own way, was a pioneer. She was the first female Arabist to receive an ambassadorial appointment. Her elevation was a statement about the status of women in that region; it was also a statement about her exceedingly stubborn ambition.

Her break had come in a lowly position at the embassy in Cairo. She had proven herself invaluable to then Secretary of State Henry Kissinger, at the height of his splendour, by discovering an Egyptian laundry that would instantly wash and iron his shirts. Her promotions were steady as she proved her expertise in other areas. In 1985 as a senior official in the embassy in Damascus, Secretary of State George Shultz described her as "a genuine heroine," after she had convinced

the Syrians to help to free Americans held hostage in a hijacked TWA plane.

Ms. Glaspie, a single woman who brought her mother with her wherever she was stationed in the Middle East, was married to her subject and assignment. She appeared before the Senate committee without make-up or jewelry; her long grey hair was pulled back, her dress absolutely plain. Her puritan austerity suggested virtue.

Now she intended to restore the lustre of her besmirched honour. The transcript released by the Iraqis, she said, had mostly been fabricated. Time and again, she had directly warned President Saddam. "I told him orally that we would defend our vital interests; we would support our friends in the Gulf; we would defend their sovereignty and integrity," she insisted. President Saddam had been stunned by her firmness: "Flummoxed. It had just occurred to him that we really might fight."

The committee which had been prepared to humble her turned all politer. But Senator Joe Biden wondered if the mysterious cable she had sent matched her current tone. It did, she said, but then imperiously remarked that releasing the cable would be an awful breach of diplomatic confidentiality. With that, she left the Senate hearing room, seemingly vindicated.

But the administration was still uneasy. Though a minor State Department spokesman trotted out to support Ms. Glaspie's description of the Iraqi transcript as inaccurate, a senior administration official told Thomas Friedman of the New York Times that it was "not all false." The distancing from Ms. Glaspie had not stopped.

On July 11 the long-awaited cable arrived at the committee, and it did not square with her testimony. The committee asked

Mr. Baker for an explanation. Within 48 hours the discrepancy was widely reported. Ms. Glaspie was once again summoned to testify.

Now the administration, through its National Security Adviser Brent Scowcroft, suggested that the differences were more apparent than real; that what she had neglected to write in the cable was precisely what she told the committee. Her error was of omission; the truth lay in the gap she had gladly filled in.

In fact the cable suggested that Ms. Glaspie willfully misled the Senate, and that the administration, for its own reasons, let her brazen distortions stand.

The cable's title reads like a stilted Hallmark greeting card: "President Saddam's message of friendship to President Bush." President Saddam's manner, Ms. Glaspie wrote, "was cordial, reasonable, and even warm;" he "chose his words with care..." he complained that "Iraq is sick of war, but Kuwait has ignored diplomacy"; there were "some circles in the USG (U.S. government), including in the CIA and the State Department but emphatically excluding the president and Secretary Baker, who are not friendly towards Iraq-U.S. relations"; Iraq had "tried to be friends," and had even served U.S. interests in the Iran-Iraq war.

Ms. Glaspie told President Saddam "that the president had instructed her to broaden and deepen our relations with Iraq." She conflated Mr. Bush's notions of political power and U.S.-Iraqi relations with President Saddam's. President Saddam had referred to "some circles" anti-pathetic to that aim. (Such circles certainly existed, but while the U.S. administration is instructed by the president, he does not control the U.S. press; if he did, criticism of the administration would not exist.)

President Saddam interrupted to say he understood that. The ambassador said she had seen the Diane Sawyer show (an interview with President Saddam) and thought it was cheap and unfair. (Ms. Glaspie's easy contempt for a free press was the diplomatic currency, paid to the president. On this point, at least, she had achieved, as she indicated, mutual understanding.)

Then comes her toughest statement, as she reports it in the cable: "Is it not reasonable for us to ask, in the spirit of friendship, not confrontation, the simple question: what are your intentions?" His reply, according to the cable, was to plead that Kuwait must comprehend Iraq's suffering. "The financial situation is such that the pensions for widows and orphans will have to be cut." At this point, the interpreter and one of the note-takers broke down and wept. After a pause, President Saddam said: "Believe me, I have tried everything."

The president then dramatically left the room to take a call from Egyptian President Hosni Mubarak, who was attempting to mediate in the dispute. When he returned he told Ms. Glaspie that he would give Mr. Mubarak's effort a chance. "Good news," she reported herself as saying in the cable.

President Saddam's performance impressed Ms. Glaspie with its authenticity. "His response, in effect that he had tried various diplomatic secret channels before resorting to unadulterated intimidation, has at least the virtue of frankness. His emphasis that he wants a peaceful settlement is surely sincere (Iraqis are sick of war), but the terms sound difficult to achieve."

At no time did Ms. Glaspie deny the legitimacy of President Saddam's claims. Her task was to preserve the cozy relationship while dampening the strains of

Iraq's grievances against Kuwait. But the contents of her cable and her conflicting testimony do not raise questions about her alone. The inquiry must run deeper.

Clearly she believed she was reflecting U.S. policy. Her cable was written in a manner to flatter the preconceptions of her superiors. But was she, in fact, following instructions? Is so, why was she shunned and isolated by the administration for seven months after the invasion? Why was she permitted, when unwrapped, to mislead the Senate? Was she under instructions to do so? And why, afterwards, was the record not set straight by the administration, which must have known that her cable would eventually be made public?

These questions may be posed by the Foreign Relations Committee to more witnesses than Ms. Glaspie. Coincidentally, one of Mr. Baker's top aides, Robert Kimmit, under-secretary of state for political affairs, has been nominated as ambassador to Germany. His confirmation hearings were expected to be a perfunctory affair, but his job included handling the war, and April Glaspie. His hearing, which might have concentrated on the difficulties of a united Germany, may focus instead on the administration's policies towards President Saddam.

Of course Mr. George Bush consumed with secrecy, bribes, and any investigation of the causes and effects of his policies. In the case of Iraq he prefers, under the warrior president, the conqueror of Mesopotamia. But Ms. Glaspie's falsehoods, true into focus the administration's craven miscalculations in dealing with President Saddam.

There may still be some political price to be paid for it. And that's history, too. — The Guardian

Draft law to draw heated debate

(Continued from page 1)

or recommendations from any non-Jordanian side," and mandatory submission to the Ministry of Interior of all details related to the party and its founding members as well as financial sources and spending along with the application.

The draft law provides the right to every legalised party to publish one periodical "to express its principles and views subject to the press and publications law."

The draft law allows every party to receive donations and gifts from local Jordanian sources as long as the contribution from a single source does not exceed JD 5,000 annually.

No party will be allowed to invest its funds for purposes of "achieving any financial return or serving the personal interests of any of its members (s)."

Funds of the party will be considered public money and every party will be bound to submit its budget and spending for the year to the Ministry of Interior in the first three months of every year. The leadership and others who are involved in the utilisation of the funds would be held liable for any "illegitimate use of the money."

While every party will be allowed to operate under the principles, objectives and ideology it has adopted, the law says, no use of any government institution or department or educational or religious organisations will be permitted to propagate political activities.

The law exempts the main premises of any party from paying any taxes or other government fees and says that the records, including party decisions, budget and spending details, should be available at the site.

No member of the security forces or any other law-enforcement agency will be allowed to search the party premises except in cases of "being the site of an actual crime." Exceptions could be made only with the personal presence or written consent of the prosecutor-general.

Punitive measures against the

party or its members for violating the provisions in the draft law include 15 years of imprisonment and/or JD 5,000 to JD 20,000 fine. Violations cited under this provision include "contacts with any non-Jordanian side, directly or indirectly, with the aim of harming the Kingdom's security, or cause political, economic or financial harm to the Kingdom; providing any non-Jordanian side, directly or indirectly, with any documents or classified information related to military, political and economic affairs of the Kingdom or helping any non-Jordanian side to obtain such information; undermining the morale of citizens with the aim of undermining the system or creating chaos and disturbing the internal and external security of the state; receiving funds, directly or indirectly, from any non-Jordanian source on personal account or on account of the party."

Anyone convicted of violating the provisions of the law on political parties by being involved in activities of forming a party or reforming a party without a license could also face punishment of the same magnitude and range.

Violators of the regulations where punishment is not specified can face one month to three years in prison and/or JD 1,000 to JD 5,000 in fines.

The draft law empowers the Council of Ministers to order the cancellation of the license of any political party if it deviates from its stated objectives and principles in its activities or receives money from or let itself be guided by an external source, or its leadership is sentenced by a court of law for crimes of creating public disorder or undermining the internal and external security of the country.

In addition, if the total membership of the party falls below 1,000 after three years of establishment, the Council of Ministers can order its dissolution.

The party can challenge the dissolution decision in a court of law and the Cabinet order will be frozen until the court's verdict.

Kuwait sinks back into fantasyland

By Arthur Kent

KUWAIT — In the aftermath of the Gulf war, the word "liberation" was on every Kuwaiti's lips. No longer. Now, many people complain of inertia, aimlessness and recrimination.

One year after Iraqi forces stormed the emirate and five months after U.S.-led forces banished them and put the Al Sabah family back on the throne, Kuwaitis — from private citizen to crown prince — are proving as unequal to the challenges of peace as they were at waging war.

"The Kuwaitis now have to face the defects they have in their society," says Amer Tameemi, a Kuwaiti economist and investment analyst. "Overcoming those defects needs some new thinking on the part of the people and the government. So far, nobody is really trying to change old habits."

A prominent Kuwaiti City banker, Abdul Aziz Sultan, says it is not surprising his countrymen feel little incentive to contribute to society, since decision-making remains the domain of the Al Sabah family.

"We are really suffering from a crisis of leadership," Mr. Sultan says. "They (the Al Sabahs) are not willing to delegate power, and they are not willing to step down and let more competent people manage the affairs of the state."

Kuwait's fledgling opposition movement is rallying around this issue and gaining strength. That businessmen such as Mr. Tameemi and Mr. Sultan speak openly against the royal family illustrates heightened public dissatisfaction. Word that Kuwait will borrow \$3 billion to finance reconstruction has raised the political stakes; since free elections have been delayed until October 1992, Crown Prince Saad Abdul-

lah Al Sabah, the effective head of government, will have total control of spending for at least another year.

"The people think there are many issues that should be tackled right now," says Mr. Tameemi, "and tackled by real representatives of the people who are elected freely."

In post-war Kuwait, this talk is not just political gamesmanship. People here, say Western diplomats, are in a confused, lethargic state similar to traumatic stress disorder. They need a new kind of leadership to rouse them to rebuild and to reshape their society.

"The Al Sabahs," says a West European diplomat, "could just about manage to regulate a government machine that was up and running. They certainly don't have the energy to jumpstart a stalled society."

From ordinary household to the emir's palace, signs of lost momentum are everywhere. While the U.S. Army Corps of Engineers supervises a predominantly Asian workforce to restore the parliament building, many damaged private buildings and homes have not been touched in the five months since the Iraqi army fled north.

Abdul Aziz Al Bader came home from his journalism course in the U.S. to help his family's paint-supply business cope with the expected rush of customers eager to fix their homes. But few Kuwaitis have ventured into his shop. The reason: an acute shortage of cheap foreign labour.

"As long as there's a cash flow in Kuwait," sighs Mr. Bader, "people will wait for others to do the work for them."

But merchants report vigorous spending on other consumer goods. Luxury cars are back, and Kuwait City's spectacular Sultan

Centre supermarket has regained its frantic, fantasyland atmosphere of easy money chasing fine wares.

Mr. Tameemi says that until Kuwaitis face realities such as taxes, free-market pricing and an end to government subsidies and cash grants, they will have no reason to work harder or contribute to their society.

"Affluence weakened the Kuwaiti will," he says, "and made us complacent, and dependent on others to do all the work. We thought it was cheaper to import labour to work on our behalf. The problem now is that people think they can have it easy again."

But that does not go for all residents of Kuwait. For Palestinians or Iraqis, anything that was easy about life in the emirate has gone, quite likely forever.

Abdul Razzaq is an accountant who left his native Iraq, because he opposed Iraq's Ba'ath Party. Though publicly critical of the Iraqi leader even before the invasion, Mr. Razzaq, his wife and four children (all born in Kuwait) have been ostracised by neighbours and relatives. "We were amazed after the liberation," he says, "to find there were people who say: 'we cannot draw a line between the Iraqi authorities and people of Iraqi nationality.'"

Mr. Razzaq has received threatening phone calls, his children have been expelled from school, and his wife, Widad, is frequently ill from the strain of public ridicule.

"I prefer to speak English now on the street," says his daughter Younsa, aged 30. "People can tell by my Arabic dialect that I'm Iraqi, and getting into discussions exposes me to trouble."

Her father sighs, "I cannot avoid feeling remorse because my children are paying for the crimes

of a dictator. They are paying for the crimes that were incurred on this society and they are looking to me for help which I cannot provide."

The same anguish haunts the Palestinians, now only 120,000 — down from a pre-war community of 380,000. Ismael Shammout, a celebrated artist, resisted the occupation and shared electricity and water with his Kuwaiti neighbours, but both he and his brother were beaten by Kuwaiti soldiers after the war ended. "We suffered under the Iraqis, and to be frank, the suffering has continued after the liberation."

Mr. Shammout led a group of Palestinians in two meetings with Crown Prince Saad, and reminded him that "less than one per cent" of Palestinians in Kuwait collaborated with Iraqi forces. They won some easing of official discrimination, he says, but individual Kuwaitis continue to discriminate.

The experience of the Saffi family bears that out. About half the extended family has left for Amman, and Nufouz Saffi, who was fired without explanation from her job in a bank, will soon follow with her two children and three younger sisters.

Nadia, one of the girls, says: "I have memories everywhere here, in every scene and in every building. I have all my friends, all my life here, but still I don't feel sorry to leave after we have seen all that happened to our family and friends."

Her sister Reem says she has been a prisoner in the family's modest flat, afraid to venture outside where Kuwaitis verbally abuse her for "standing with Saddam." "We rejected the Iraqi invasion of this country," says Nufouz, "and yet we are treated as criminals."

Officially, the family's problem does not exist. Both the emir and



Women in Kuwait City hunt for relatives among the pictures of Kuwaitis released by Iraq

the crown prince have said only collaborators will be punished. Dr. Mohammad Al Rumaihi, who edits the government-funded Sawt Al Kuwait newspaper, says the memory of the occupation is still fresh, and Kuwaitis have some justification for their suspicion of Palestinians.

Although it is nearly 50 years since the World War II ended, he says, "in Britain, we find this kind of resentment vis-a-vis the Germans. Generally speaking, we are very open-minded people, and I do believe sincerely that this will subside very quickly."

Dr. Rumaihi says the government needs more time to motivate Kuwaitis. "The world is pushing us very hard, but without

a proper understanding of what kind of ideas and thoughts we had only a year ago, and what we have today."

Many Kuwaitis disagree. Banker Sultan says: "I think the American government and people should do their utmost to apply some pressure to expedite democratisation in Kuwait."

Western diplomats agree, however, that their government's top priority in the short term is the stability of the Kuwaiti monarchy, and through it, the rehabilitation of the emirate's vast oil production capability. Democracy, tolerance and motivation can wait. In Kuwait, oil and complacency flow together again. — Observer.

Baker seeks Maghreb help

(Continued from page 1)

The three North African governments are close to the PLO and Mr. Baker believes they can be influential with the organisation.

The United States broke off a dialogue with the PLO in June 1990 after Chairman Yasser Arafat refused to condemn an abortive raid on an Israeli beach by a PLO guerrilla group.

Washington has insisted it will not resume the dialogue until the PLO disciplines the main responsible for the raid.

The progress towards a peace conference has not changed that condition, senior U.S. officials said.

Israeli Foreign Minister David Levy, exuding satisfaction during an interview on Israel TV's Arabic news, said there was now complete understanding between Israel and the United States.

"I don't see any problems that are not settled... the issue is to put it in writing," Mr. Levy said.

Mr. Baker has promised to provide written assurances to all parties likely to attend a conference, a U.S. official told reporters.

Mr. Levy said U.S. officials were expected in Israel in a few days to work on a memorandum of understanding.

Prime Minister Yitzhak Shamir gave Mr. Baker Israel's "yes" on Thursday on condition the representatives of the Palestinians in the Israeli-occupied lands were acceptable to Israel.

In Washington, President Bush said: "I welcome Prime Minister Shamir's statement that he supports our proposal." He added, "I call upon Israel and the Palestinians to clear away the remaining obstacles and seize this truly historic opportunity."

Mr. Bush said the United States continues to support U.N. resolutions that call upon Israel to return territory occupied from the Arabs. But he declined to discuss any possible outcome of the proposed peace conference, citing the delicate diplomatic negotiations Mr. Baker is undertaking.

"This is not the time to go into contentious issues, representational issues," Mr. Bush said.

The Soviet Foreign Ministry said Friday it understood Israel's agreement to a peace conference was unconditional.

"Israel, from what we can see, has agreed to a peace conference as was proposed by the Soviet Union and the United States... that is, we are talking about a conference without any preliminary conditions," TASS news agency quoted a ministry spokesman as saying.

The Soviet spokesman praised the stand taken by the Palestinians, including the PLO.

"Our contacts with them, specifically letters sent recently by the PLO leadership to President Gorbachev and Foreign Minister (Alexander) Bessmertnykh, show that the Palestinians are taking a flexible and serious stand," he said.

The PLO apparently "realises the importance of taking advantage of this opportunity for moving the negotiating process forward," he said.

Syria said Saturday Israel's participation in a peace conference was useless unless it was tied to U.N. resolutions calling for its withdrawal from occupied Arab lands.

"Israel's participation in peace talks has no value if it is not tied to carrying out international resolutions... peace is impossible without (Israeli) withdrawal (from the occupied territories)," the government daily Al Tishreen said.

"A comprehensive settlement requires the participation of all the involved parties... and it is natural the Palestinians should be qualified to choose their own representatives."

Wind power breakthrough

DR. LEO GASENDO, chemical engineer of Los Angeles, California, has patented a super windmill invention which positively captures the unlimited supply of energy from the wind.

This 100 feet diameter super windmill unit with 12 sails can generate more than 1,000 horsepower at 35 miles per hour wind velocity. A super windmill farm can store sufficient amount of electrical energy in large storage batteries for continuous distribution to the towns and cities.

The super windmill derives its power from a very unique design of sails placement and housing configuration. There are 12 optimum number of sails with massive wind contact areas. Wind forces are captured and retained by the sails with minimum deflections and

minimum waste of wind energy. The wind is allowed to pass through the central hub vortex to propel the back quadrant sails thereby providing more horsepower production. A definitive high pressure area is created in front of the operating unit and a low pressure area is generated behind the sails assembly. This maximises the wind velocity across the unit resulting in more horsepower production.

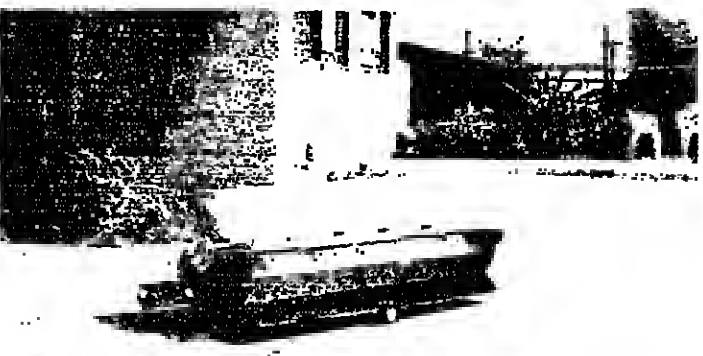
The housing covers the lower sails from direct wind impact and allows the upper sails to develop very high torque. The front baffles direct more wind to the upper sails and expose more sails to the wind. The overall concept of the super windmill design is to harvest the maximum amount of energy from the wind while at the

same time, protecting the environment.

The super windmill operates between 5 to 16 revolutions per minute. At this exceptionally low speed the sails rotate very quietly without creating sonic noise or harmonic vibrations. Noise pollution is prevented. This rate of speed will not kill the birds.

The high energy production of the super windmill opens the door to many practical applications. It can be installed independently to provide electricity to the homes in remote areas. It ushers the extensive use of electric cars as modern means of transportation. A super windmill unit will be installed in strategic places for recharging or replacing the spent batteries of electric cars, something similar to the functions of gas stations stretched along the super highways. But the most important thing to remember about this invention is that, now, it gives us the capabilities to harvest wind energy in massive quantities for many different applications. In so doing, it will reduce the industrial consumption of fossil fuel and lower the production costs and prices of commodities.

Developing countries can economically construct super windmill units out of bamboo poles, canvas sails and plywood — Press release.



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Financial Markets

Jordan Times
in cooperation with
Cairo Amman Bank

Currency	1 US\$	100 US\$
British Pound	1.5740	1.5740
Deutsche Mark	1.7570	1.7570
Swiss Franc	1.5341	1.5341
French Franc	5.9715	5.9715
Japanese Yen	137.55	137.55
European Currency Unit	1.7362	1.7362

Currency	1 MTH	3 MTH	6 MTH	12 MTH
U.S. Dollar	5.75	5.87	5.92	5.75
British Pound	10.87	10.87	12.75	10.88
Deutsche Mark	8.81	9.05	9.31	9.37
Swiss Franc	7.68	7.87	7.91	7.67
French Franc	4.37	4.52	4.56	4.40
Japanese Yen	7.37	7.34	7.11	7.46
European Currency Unit	9.83	9.83	9.93	10.12

Metal	100g	100g	100g	100g
Gold	257.25	257.25	Silver	3.92

Currency	Bid	Offer
U.S. Dollar	1.57	1.57
British Pound	1.595	1.595
Deutsche Mark	1.744	1.744
Swiss Franc	1.537	1.537
French Franc	1.174	1.174
Japanese Yen	1.552	1.571
Dutch Guilder	1.547	1.551
Swedish Krona	1.666	1.691
Italian Lira	1.0731	1.0825
Belgian Franc	1.0175	1.0195

Currency	Bid	Offer
Bahraini Dinar	1.17560	1.17590
Lebanese Lira	1.7158	1.7170
Saudi Riyal	1.157	1.158
Kuwaiti Dinar	1.155	1.156
Qatari Riyal	1.155	1.156
Egyptian Pound	1.155	1.156
Ghana Cedi	1.155	1.156
UAE Dirham	1.155	1.156
Greek Drachma	1.155	1.156
Cypriot Pound	1.155	1.156

Index	24/7/1991	Close	51/7/1991	Close
All-Share	111.02	109.82	109.82	109.82
Banking Sector	108.59	104.41	104.41	104.41
Insurance Sector	119.37	119.10	119.10	119.10
Industry Sector	115.74	115.04	115.04	115.04
Services Sector	127.70	127.43	127.43	127.43

U.S. unemployment rate falls, but doubts about recovery rise

WASHINGTON (R) — The U.S. unemployment rate fell to 6.8 per cent in July from 7.0 per cent in June but only because more people gave up looking for work and dropped out of the labour force, the government said Friday.

President George Bush said he was "delighted" with the drop in the unemployment rate but economists said the overall data raised fresh doubts about the durability of the fledgling economic recovery.

The Labour Department said the actual number of payroll jobs shrank by 51,000 last month. Economists said that figure was more indicative of the state of the labour market than the unemployment rate, which they dismissed as a statistical fluke.

"The economy has all the horsepower of a model T Ford," said economic consultant John Alberione. "It is sputtering along at a very slow rate."

The news of further job losses last month is sure to turn up the political heat on the Federal Reserve (central bank) to cut interest rates to spur economic growth and on the Bush administration to do more for those out of work.

The figures raise question marks about the strength and sustainability of the recovery," said David Jones, chief economist at Aubrey G. Lanston and Co.,

The unexpected fall in the unemployment rate — the first drop in three months — occurred only because the labour force shrank by more than 400,000 last month.

Teenagers, who normally flock into the labour force during the summer holidays, are not doing so this year, perhaps because they don't expect to find work.

"We may be starting to see some discouraged workers," said Robert Brusca of Nikko Securities Co. International.

The jobless figures are pored over by financial markets and economic policy-makers because they provide the first comprehensive look at the state of the economy each month.

They followed a spate of figures that showed the economy struggling to recover from a recession that began a year ago.

Economists saw more than few reasons to be worried about the strength of the recovery in the employment data. Hourly earnings and the average work week both fell. The service sector, until recently the engine of the recovery, lost jobs.

"It appears the economy was quite weak in July," said Lynn Reaser, senior economist at First Interstate Bancorp.

Economists said the data increased the possibility of a "double dip" recession — a brief economic upturn followed by a renewed downturn — although many still rate the chance of that



George Bush

happening as unlikely.

President Bush was upbeat.

"The economy is recovering and moving forward," he told reporters. He stopped short of explicitly calling on the Federal Reserve to cut interest rates to boost growth but made clear he would be glad if it did.

"I believe we can afford lower interest rates," he said.

Financial markets and economists think he will get his wish. They said the combination of weak growth in money supply — the raw material for economic activity — and a sputtering recovery will probably prompt another interest rate cut soon.

"The next move in interest rates is down," said Mickey Levy of CRT Government Securities.

That is unlikely to satisfy the Democrats, who are just starting to gear up for a run at the still popular Bush in next year's presidential election.

The Democrats have accused the president of ignoring the country's domestic problems while globe-trotting and are pressing him to spend more on the unemployed.

EC, Soviets sign \$475m aid accord

BRUSSELS (R) — The European Community (EC) and the Soviet Union signed a deal Friday giving 400 million European Currency Units (\$475 million) to help convert the Soviet economy to free market principles.

The aid was first pledged by EC leaders at a summit in Rome in December 1990, but was held up this year by concern about Soviet violence in the Baltic republics.

The money will pay for technical help in the management training, food distribution, financial services, transport and energy sectors, a statement said.

The Community will fund efforts to deregulate prices, privatise state firms, define suitable legal and administrative frameworks and train and reorganise old and new institutions.

EC leaders agreed in June to give further technical aid for the Soviet Union in 1992 and subsequent years. They did not put a figure on the help, but EC budget ministers last week suggested allocating a further 400 million European Currency Units.

SIA orders up to 20 Airbus worth \$3.4b

PARIS (R) — Singapore Airlines (SIA) said Friday it has ordered up to 20 Airbus Industrie aircraft worth \$3.36 billion and dropped plans to buy McDonnell Douglas Corp's MD-11.

SIA placed firm orders for seven long-haul A340-300s, placed orders subject to reconfirmation for a further seven and took options on another six.

The aircraft will be powered by CFM 56-SC4 engines made by GE and Pratt & Whitney of the United States and of France's Societe Nationale d'Etude et de Construction de Moteurs d'Aviation (SNECMA).

SIA said the \$3.36 billion value included the cost of the engines and spare parts.

The airline also said it would not proceed with its previously announced plan to purchase MD-11 airliners, which industry analysts said was a blow to the St. Louis, Missouri-based aircraft maker.

"The intended purchase of the MD-11 was predicted on the aircraft's ability to perform certain long-haul sectors, Singapore-Paris for example, with defined payload capability," SIA said in a statement.

"While the aircraft is excellent for shorter range requirements, it has not to date been able to meet SIA's long-haul demands," it added.

In January 1990 SIA placed firm orders for five MD-11 aircraft and took options on a further 15.

"This is potentially a very serious problem indeed," said aircraft analyst Sandy Morris of County Natwest of McDonnell Douglas's apparent loss of the MD-11 order.

"One of the problems they have had on the MD-11 with American Airlines and now apparently with Singapore is their inability to come up with the long range," he added.

"The fuel consumption of the aircraft has not lived up to the manufacturer's claims," he pointed out.

Airbus said SIA plans to use the A340-300s it ordered Friday for non-stop services to Europe, such as Singapore-Paris.

It said deliveries of the aircraft would begin in October 1995 and continue through to 1999, adding that SIA would use the planes in a three-class layout seating about 270 passengers.

Iraqis apply to set up 4 new banks

BAGHDAD (R) — Iraqi businessmen want to open four new banks under a new law passed by Iraq's Revolution Command Council, the weekly magazine Alef Ba has reported.

The magazine, quoting a source at the Iraqi Chamber of Commerce, said the applications had been submitted during July.

The proposed trading names of the banks were The Altimad Bank, the Baghdad Bank, The Iraqi Commercial Bank and The Private Bank, it added.

Iraq at present has its central bank and two state-run banks — The Rafideen Bank and The Rasheed Bank, which was set up three years ago.

Alef Ba said the Rasheed Bank's 1990 profits were up 15 per cent at 193 million dinars (just under \$619 million at the official rate).

Saadoun Kuba, the director general of the bank, reported a 12 per cent increase in trusts and current accounts and a 25 per cent increase in savings accounts.

The U.N. trade blockade imposed after Iraq's Aug. 2 invasion of Kuwait has squeezed Iraq's economy and diplomats say it is close to collapse.

Well off Iraqis have been buying gold as a hedge against inflation and a collapsing dinar, which is worth a notional \$3.2 at the official rate. On the black market \$1 can fetch more than seven dinars.

Kuwait lifts restrictions on cash withdrawals and transfers

KUWAIT (R) — Kuwait's central bank lifted all restrictions on currency withdrawals and transfers Saturday and depositors showed confidence in the economy by choosing not to dump dinars for dollars.

Central bank governor Sheikh Salem Abdul Aziz Al Saud Al Sabah said depositors and companies were free to withdraw or transfer abroad whatever amount they wanted.

"I am now witnessing clearer confidence in our banking system. Whoever wants to withdraw, let them withdraw. They are free to do so. We have gone back to our normal situation," Sheikh Salem said in a statement.

The central bank, fearing a massive capital flight, imposed a monthly ceiling of 4,000 dinars (\$13,500) on all withdrawals and foreign currency transfers following the liberation of the emirate.

It later eased the limit to 6,000 dinars (\$20,000). There had been widespread fears that clients would swamp the banks on Aug. 3, dumping dinars for dollars, the favourite foreign currency.

Bankers reported business as normal, saying they had been surprised by the absence of substantial demand for cash or foreign currency now that all restrictions had been lifted.

Small queues formed to banks with clients both withdrawing and depositing money. Cashiers said the level of withdrawals on Saturday, as in previous days, had exceeded that of deposits.

"We expected a big rush for cash today but it did not happen. I have not seen any unusual activity which shows people have confidence in the economy," Mohammad Yahya, general manager of Kuwait Commercial Bank, told Reuters.

Clients said they felt safe with deposits in local banks that offered better interest rates than dollar accounts abroad. Withdrawals were to meet immediate needs.

Some of the banks raised interest rates by half a point to nine per cent on Saturday to discourage transfers abroad.

"We get better interest rates on dinars than dollars, besides I always like to be in my money," said businessman Mahmoud Daloul.

Before scrapping the restrictions, the central bank had made repeated appeals to clients not to dump dinars for dollars.

BCCI representatives win U.S. court approval to freeze legal action

NEW YORK (R) — A U.S. bankruptcy judge Friday temporarily froze most U.S. legal action against scandal-plagued BCCI, a move aimed at protecting the bank's assets and making sure they are fairly divided among creditors worldwide.

The judge granted a request filed late Thursday by court-appointed foreign representatives of Bank of Credit and Commerce International (BCCI) to put a hold on action against the Luxembourg-based bank.

Federal Judge James Garrity of the U.S. Bankruptcy Court for the southern district of New York said failure to grant the order would cause irreparable harm to creditors.

BCCI, which had operations in 69 countries, was seized on July 5. Since then, details of widespread international fraud by the bank and its entities have unravelled day after day.

The representatives had sought the temporary restraining order, which is due to expire on Aug. 9, citing concerns that Americans might win an unfair share of the bank's assets.

Their petition was filed under a U.S. law that allows representatives of organisations being liquidated overseas to protect assets for the benefit of creditors.

Attorney Ronald de Koven, BCCI's court-appointed representative, said the order was needed to "create an international system to avoid a race to the courthouse" by creditors seeking claims.

But an attorney for the New York State Superintendent of Banks, in arguing against issuing the court order, said there was no basis for the order and no chance of irreparable harm.

"Nothing is going to happen to this money for months and months," said Attorney Richard Ziegler.

Judge Garrity scheduled a hearing on the matter for Aug. 9.

the day the restraining order expires.

After the bank was shut down last month, depositors — from small Asian businessmen to big banks — feared their money would simply vanish.

BCCI at one time drew in \$20 billion in deposits from around the world operating a variety of funds, according to an indictment filed Monday against the bank.

But regulators can only guess at how much BCCI has since lost, with estimates ranging from \$4 billion to \$15 billion.

Whatever remains, all creditors want what they see as a fair share, and courts in Britain, Luxembourg and the Cayman Islands appointed the petitioners to protect BCCI assets in the United States.

In filing the request Thursday, the representatives said, unless such relief is granted, petitioners may be obliged to appear and defend BCCI in numerous courts and lawsuits in litigation in the United States may gain an unfair advantage over other creditors of BCCI.

On Monday, a state grand jury in New York indicted BCCI and two former executives on fraud, theft and money laundering counts.

The indictment charged that BCCI officials had lied about the bank's financial health and ownership to New York bank regulators, customers and other institutions including a bank owned by American Express.

It also accused the defendants of bribing two former officials of Peru's central bank. If the bank is convicted it faces fines and forfeiture of assets.

Also on Monday, the Federal Reserve said it was seeking a \$200 million penalty against BCCI for violating banking laws.

Meanwhile, The Central Intelligence Agency (CIA) used BCCI as a means of transferring substantial funds, Deputy Director Richard Kerr said Friday.

"We, CIA, used it as anybody would use a bank," he told a student audience in reply to a question. "Not in any illegal way ... the same way if you have a bank account you use your bank — as a way to move money."

Mr. Kerr did not say when the CIA had used the Luxembourg-based bank or whether the funds transfers were for covert operations abroad.

"You probably don't move the quantities of money for the purposes that we do, but nevertheless the same point is, you use it merely as a transfer point," he told the National Young Leaders Conference, a civics forum for high school students.

He said the CIA had aggressively collected intelligence against BCCI and distributed this information to other U.S. government agencies since the early 1980s because "it was quite obvious that it was involved in illegal activities such as money-laundering, narcotics and terrorism."

"And we have regularly put out since the early 1980s a whole set of reporting to the government describing those activities," Mr. Kerr added.

Collapse of Comecon deals severe blow to Hungary's economy

BUDAPEST (R) — The collapse of Comecon trade this year dealt a severe blow to Hungary's struggling economy, official statistics have shown.

Slumping business with its cash-starved neighbours in the former socialist trading bloc helped slash around one fifth from Hungary's industrial production in the first half of 1991 and pushed its trade balance deeply into the red.

The ministry of industry and trade reported that output of large enterprises fell across the board in the six-month period but the engineering and construction sectors were hit worst.

The figures showed a nominal rise in production of 16 per cent in the first six months of the year but that translated into a drop of 19.9 per cent after inflation was taken into account.

The production slump reflected in part the impossible task that companies face trying to sell products to traditional customers in the East who are unable to pay their bills under Comecon's new regime of hard-currency trade at world prices.

A ministry study concluded that dwindling domestic demand and the slow pace of transition to free market principles among large-scale state industry contri-

buted to the drop. It added that the increase in unsold stocks had slowed as manufacturing industries cut working hours.

The production figures do not include the output of small companies, the most dynamic part of Hungary's struggling economy, and only over enterprises with more than 50 workers.

But, even including small companies, exports to former members of Comecon shrank dramatically in the six months.

Overall trade with former Comecon members contracted 60 per cent, which minister of international economic relations Bela

Kadar told reporters was tantamount to losing five per cent from Hungary's total output of goods and services.

Plunging exports to ex-Comecon states and ballooning imports helping drive the hard-currency trade deficit \$825.4 million into the red after six months, even though overall exports showed a healthy 27 per cent increase.

Highlighting the positive, Mr. Kadar stressed Hungary's achievement in shifting its exports to customers in the West who have the money to pay for its goods.

Almost three-quarters of Hun-

gary's exports now go to members of the Organisation for Economic Cooperation and Development and the European buys almost half of the goods.

The Soviet Union, once Hungary's largest trading partner, now absorbs less than a tenth of its exports.

Hungarian officials are increasingly concerned that the demise of Comecon trade will add thousands more people to the ranks of the unemployed as inefficient enterprises are forced to cut their staff or shut down.

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Presidency calls for ceasefire in Croatia

ZAGREB, Yugoslavia (AP) — The federal presidency, amid some of Croatia's worst ethnic fighting, early Saturday ordered a ceasefire in the republic but a top Croatian official held out little hope for the peace plan.

The president, who heads the presidency, voted against its true plan, which left uncertain how the ceasefire would be carried out, and the role of the European Community (EC).

The EC sent a peace mission to Croatia Friday amid reports at least 80 Croatian police were reportedly killed in some of worst violence since the breakaway republic declared independence from Yugoslavia on June 25.

Fighting in Croatia stems mostly from disputes between Croats and the Serb minority, which claims it is discriminated against. The ethnic Serbs want their own rule or to join Serbia.

Mr. Mesic told Croatia's parliament — the Sabor — the federal plan was an attempt by Serbia and its allies to prevent EC officials monitoring a truce and to grab more Croatian territory.

"In fact this is an effort to prevent the conflict from being internationalised," Mr. Mesic told an emergency session of the Sabor.

The presidency ordered an "immediate and absolute ceasefire" in Croatia including separation of hostile forces "outside the range of their firearms," said the statement transmitted by the Yugoslav News Agency (Tanjug).

But Mr. Mesic said: "As long as the army is a shield for rebels and does not withdraw to barracks and as long as we do not name the aggressor, there can be no cease-

fire. Three EC foreign ministers who arrived Friday in Zagreb, Croatia, said a ceasefire was a prerequisite for any further involvement.

A presidency statement said federal police backed by police from Slovenia, Macedonia and Bosnia-Herzegovina would oversee enforcement of the truce. The presidency also ordered a ceasefire commission formed, headed by Branko Kostic, Montenegro's representative.

Sources close to the presidency said selection of the federal police represented a compromise between Croatia and Serbia, Yugoslavia's two largest republics.

But Mr. Mesic said Croatia's request to order federal troops in the republic back to barracks and federal air force planes back to bases was rejected.

Mr. Mesic also objected to Mr. Kostic heading the truce commission, alleging Mr. Kostic, an ally of Serbia's Communist leadership, would use any truce in Croatia that was not monitored by the EC "to extend Serbian territory into Croatia."

Croatian forces said Friday they had retaken a small town they were forced to abandon two days ago after attacks by Serbian guerrillas and Yugoslav warplanes.

Police said they and National Guards fought off attacks by guerrillas and moved back into Kostajnica, a ghost town since its 4,000 people — mostly Croats — fled after a fierce Serbian mortar attack last week.

It was the Croatian forces' first major success in recent fighting. "None of our side was killed or injured in fighting with the Chetniks (Serbian guerrillas) on the



A Croatian policeman takes cover in the Croatian village Laslovo which was recently attacked by Serbian snipers

way to Kostajnica," local Croatian police Chief Djuro Brodarac said.

He said the push south from the town of Sisak through unsafe territory towards Kostajnica, some 100 kilometres south of Zagreb, took place overnight.

There was no opposition when they entered the town itself. Ivan Bobetko, a Croatian member of parliament, said Thursday that the withdrawal of Croatian forces from Kostajnica Wednesday had been an act of treason.

Speaking in parliament, he accused the town's Mayor Vinko Mijocovic of scaring the Croatian police and National Guard units into leaving the town after air force bombing Tuesday in which one policeman was killed and three were wounded.

Kostajnica lies on the edge of Krajina, a Serbian-controlled enclave in Croatia whose borders the guerrillas have been expanding in a successful campaign against Croatian forces in which dozens of people have been killed.

Meanwhile, Belgian Foreign Minister Mark Eyskens said in an interview published Saturday that the European Community could not afford to leave Yugoslavia to its own devices if its peace efforts there were to fail.

Mr. Eyskens told the Belgian daily De Standard that the EC would retain little credibility "if we withdraw after a possible failure (of the peace mission) and let people slaughter each other further over there."

Dutch Foreign Minister Hans Van Den Broek, leader of the EC "troika" said the mission was a last chance to prevent Yugoslavia sliding into full-scale civil war.

But Mr. Eyskens was sceptical about sending a peace force to Yugoslavia from the EC or the Western European Union (WEU) if all diplomatic efforts to stop the fighting failed.

The WEU is a defence alliance comprising nine members of both the Community and NATO. The Community has no military arm and is discussing whether to allocate that role to the WEU.

Comoros president deposed

PARIS (R) — The head of Comoros' Supreme Court, Ibrahim Ahmed Halidi, said Saturday he had deposed President Said Mohammad Djohar and proclaimed himself interim president, a French official said.

Mr. Halidi said Mr. Djohar was ousted because of poor health.

The official, who asked not to be named, said Mr. Djohar appeared to be on holiday in Anjouan, an island in the African archipelago state.

French authorities were trying to gather more information.

Mr. Djohar, a former president of the Supreme Court, became interim head of state following the murder of President Ahmad Abdallah in November 1989 when a group of white mercenaries took over the country for three weeks.

The mercenaries left after Paris sent a task force off the Indian Ocean archipelago, a former French colony.

Mr. Djohar was elected president in March 1990.

The French official said Mr. Djohar's impeachment appeared to be illegal as the procedure should have been initiated by the government rather than by the Supreme Court itself.

The archipelago, lying between the island of Madagascar and the Mozambique coast, has seen a series of unstable governments since independence from France in the mid-1970s.

White mercenaries have played a crucial role in maintaining or deposing the country's leaders and command the Presidential Guard — the backbone of the government's security forces.

The poverty-stricken population, descended from a mixture of Arabs and black Africans, relies on foreign aid to survive.

The country has close links with Arab states and with South Africa as well as France.

Mr. Djohar, now 71, sacked and then reinstated Mr. Halidi from his cabinet in September 1990 over an alleged coup plot.

Mr. Halidi, the then interior minister, was dismissed after issuing a statement saying he knew of rumours of a coup but had no knowledge of a plot said to have been backed by European mercenaries in August 1990.

Mr. Djohar brought Mr. Halidi back into the cabinet 24 hours later on the recommendation of other ministers but he was instead given the job of health minister.

The French official said Mr. Djohar's impeachment resembled the ousting of former Tunisian President Habib Bourguiba who was deposed in 1987 on the grounds that, at 84, he was too senile to govern.

"But Mr. Djohar is not senile. He is 71," the official said.

A spokesman for the Comoros Democratic Front in Paris accused Mr. Halidi of staging a coup.

"This is a coup attempt by some supporters of (late President) Ahmad Abdallah. Mr. Halidi is a mere pawn," the spokesman, Mohammad Monjoun, said.

Mr. Abdallah, who had ruled the islands since 1978, was widely believed to have been killed by the mercenaries who led his guard and went on to stage their abortive takeover.

S. African captain held over 1988 funeral killings

CAPE TOWN (Agencies) — A white police captain has been arrested in connection with the 1988 murder of 11 black men, women and children at a funeral, police said Saturday.

Police spokesman Jacob Swart said Captain B.V. Mitchell appeared at a special hearing in a Pietermaritzburg court late Friday. No specific charge was put to him and he was held in custody pending a further hearing on Aug. 16.

Mr. Swart said Capt. Mitchell was arrested on the basis of evidence by two black constables, who said he ordered them to attack a hut where a family vigil was being held for a dead child in a village near the white town of New Hanover in Natal province.

He said a further four people were being sought in connection with the killing, which drew wide publicity at the time it took place.

Local activists blamed the shooting before dawn on Dec. 3, 1988, on so-called vigilantes loyal to Zulu chief Mangosuthu Buthezi's Inkatha movement, which has become the Inkatha Freedom Party.

Dr. Buthezi rejected blame at the time, saying "Inkatha is not responsible for this violence and unreservedly condemns it." He said he would sue anyone who blamed him or his movement.

The shooting happened a day after Inkatha, the main black rival of Nelson Mandela's African National Congress (ANC), launched a recruitment drive in the area.

It happened at the height of a power struggle between Inkatha and supporters of the ANC, which was still outlawed and in

exile at the time. At least 6,000 people have died in the conflict, 2,000 of them in the past year alone.

Three senior Inkatha members have been convicted this year of killing political rivals.

The ANC has repeatedly alleged that police back Inkatha in the struggle, saying they escort Zulu armies on the way to raid ANC strongholds and see them safely home afterwards.

Police strongly deny the allegations. But Law and Order Minister Adriaan Vlok acknowledged last month that police did channel government money to Inkatha and its conservative trade union wing.

President F.W. de Klerk demoted Mr. Vlok in a cabinet shuffle Monday and said he would name investigators soon to a permanent commission on violence and intimidation.

Meanwhile Chris Hani, a popular leader of the armed wing of the ANC, may give up that post to work fulltime for the Communist Party, the ANC said Friday.

The ANC gave no explanation for the surprising move, which came as part of an organisation shuffle.

In announcing the new organisation structure, the ANC also said Cheryl Carolus would head the health, welfare and human resources portfolio. That would put her in charge of social welfare director Winnie Mandela.

Mrs. Mandela previously reported to the secretary-general, but under the new structure would work under Ms. Carolus. ANC spokeswoman Gill Marcus said.

Bush rejects Republican civil rights compromise

WASHINGTON (AP) — Undaunted by President Bush's rejection of his efforts, a Republican senator says he will push this fall for a Senate vote on a compromise civil rights bill. But signs from the White House are not promising.

Sen. John C. Danforth of Missouri said he told Mr. Bush last week he had been unable to reach an agreement with White House aides that would be acceptable to a majority in the Senate. He said he urged the president to reconsider and support the bill.

Mr. Bush told a White House news conference Friday his administration wants to compromise with Congress on civil rights legislation, despite the impasse.

"Look, we'll keep talking about this," Mr. Bush said. "I want a civil rights bill. We got some time now."

Sen. Danforth, speaking at a news conference Thursday, said, "I think it is a serious mistake for the president, for his administration and for the Republican Party to try to turn the clock back on civil rights."

The dispute between the White House and bipartisan Senate supporters of the civil rights bill centres on courtroom defences employers could use if accused of hiring practices resulting in unintentional discrimination against minorities.

Sen. Danforth said he would seek to have the Senate vote on his version and predicted approval with enough votes to override a Bush veto.

"His veto has never been overridden yet, but I think there's an excellent chance," Sen. Danforth said, predicting support from a number of Republicans and Democratic supporters of the measure.

"We are heading for an inevitable showdown on the question of civil rights in this country," Sen. Danforth said. "This is going to be resolved. It has to be resolved. I believe that it will be resolved in favour of the legislation we are now presenting to the Senate."

Mr. Bush last year vetoed a similar civil rights bill and the Senate failed by one vote to override it. A similar version passed the House of Representatives earlier this year, but supporters fell short of the two-thirds majority they need if they are to attempt to override this year.

Sen. Edward M. Kennedy, a leading advocate of civil rights legislation, said he would work with Sen. Danforth to pass the bill, "even if it means overriding an unfair presidential veto that shields unacceptable kinds of bigotry."

"President Bush's refusal to support the Danforth compromise seriously undermines the right of millions of working women and minorities to be free from discrimination on the job," Sen. Kennedy said in a statement.

Sen. Danforth's bill would require employers named in discrimination suits to show that their hiring requirements were related to the ability of applicants.

U.S. Senate approves MIA panel

WASHINGTON (AP) — The U.S. Senate has voted to create its own committee to investigate the fate of servicemen missing in action from the Vietnam and other wars. President George Bush said anew there was "no hard evidence of prisoners being alive."

The committee would have 12 members equally divided between the two parties and would go out of existence late next year unless renewed.

"We hope to be able to have the answers by then (next year) although we can't predict that," Sen. Robert Smith, the chief sponsor, said Friday.

Sen. Smith said "thousands of people... have written cards and letters and made phone calls" urging creation of the committee. Recent photographs alleged to be

American prisoners from the Vietnam conflict, have led to "doubt and mistrust of our government," Sen. Smith added.

In the rules committee Sen. John Warner said his "main concern was that we not elevate unduly the hopes and aspirations of the families who've waited so many years. To do that would be a disservice."

And speaking to reporters at the White House, Mr. Bush said "there is no hard evidence of prisoners being alive." He added: "For those who are unscrupulously raising the hopes of families by fraud, that should be really condemned. You talk about something brutal to a family, that's about as cruel as you can do."

Lithuanians turn out to bury 7 dead guards

VILNIUS, Soviet Union (R) — Angry Lithuanians reaffirmed their demand for independence from Moscow Saturday by turning out in huge numbers to bury seven border guards shot dead at their posts by unknown professional killers.

Three riders on horseback and an honour guard bearing photographs of the dead men led a funeral procession from the city's sports complex along the Neris River to the Roman Catholic cathedral for a special mass.

The bodies of the seven — including one who died in hospital Friday — trundled along the cobbled streets in open grey trucks, each casket draped in Lithuania's red-yellow-and-green tricolour and beaped with flowers.

A crowd estimated at 100,000 from all over the tiny Baltic republic filled the streets along the three-kilometre route or watched from balconies overhead. Many carried candles or bright bunches of flowers as church bells tolled.

"For the rest of our lives we will feel hatred," said Regina Melnikute, 55, as she watched the procession roll slowly by, tears and wax from a yellow candle mixing on the sidewalk before her.

The satellite was spring-ejected from the cargo bay six hours into the flight.

"Well done. Congratulations," mission control told the crew. A satellite rocket fired an hour later, after the shuttle backed away to a safe distance, and sent the craft spinning to a 35,680-kilometre-high orbit.

The astronauts began preparing for the complicated task of freeing the satellite shortly after reaching orbit. Shuttle Commander John Blaha took a few moments out to thank everyone for the safe, smooth trip.

"It was the best ride in the world," Mr. Blaha told mission control.

Atlantis rose from its seaside launch pad right on time at 11:02 a.m. (1502 GMT). It was a welcome sight for space centre workers, who had struggled through three flight delays in the past two weeks, including one the day before.

"They all worked hard because a 24-hour turnaround is a tough job," said launch director Bob Sieck. "They got their reward... seeing Atlantis go into orbit with a 100 per cent operating system that they made possible."

Atlantis' nine-day voyage 294 kilometres above Earth is the 42nd shuttle mission for NASA. It is the fifth time astronauts have been sent up to deploy a tracking and data relay satellite. The second was destroyed in the 1986 Challenger disaster.

The newest \$120 million satellite will expand NASA's switchboard system in space.

Meanwhile, the then interior minister, was dismissed after issuing a statement saying he knew of rumours of a coup but had no knowledge of a plot said to have been backed by European mercenaries in August 1990.

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Mr. Abdallah, who had ruled the islands since 1978, was widely believed to have been killed by the mercenaries who led his guard and went on to stage their abortive takeover.

plus the strides Taiwan has made in democratisation, have further increased the Nationalist government's stock.

Finally, weapons-producing countries can no longer ignore Taiwan's buying power. Its \$72 billion of foreign reserves are third in the world after the United States and Japan.

"Arms dealers from Europe to Africa are active in Taipei," said John Bih, editor of the respected Defence Technology monthly.

"They know Taiwan needs more weapons to deter an invader who may be tempted by this island's new wealth to take it over."

The changes are not restricted to guns. Diplomatically, Taiwan's position is probably the best it's been since 1979, when the United States dropped its recognition of Taiwan in favour of Peking.

In late July, the United States backed Taiwan's application to join the General Agreement on Tariffs and Trade. British officials are currently conducting their first trade consultations in Taipei. The Nationalist government has just completed its first ministerial-level visit to Australia since Canberra cut ties with Taipei and recognised Peking in 1972.

The Nationalist government fled to Taiwan in 1949 after losing a civil war to the Communists. Nationalist troops last skirmished with the Chinese Communists in 1965.

Much of the peace since then

Taiwan launches aggressive campaign to buy arms

TAIPEI (AP) — The government has launched an aggressive campaign to build up its military, capitalising on strained ties between the West and China to boost its military might and win diplomatic points against Peking.

France appears increasingly likely to sign a \$2 billion contract with Taiwan to provide six light frigates, sources close to the military said. Only two years ago, Paris was pressured by China to drop the deal.

The United States, Taiwan's major arms supplier, has refused to sell it any combat aircraft. But Washington recently sanctioned the sale of 10 Sikorsky S-70C helicopters with anti-submarine capabilities.

Other deals include minesweepers from Germany, torpedoes from Italy and rocket guidance and propulsion systems from Belgium.

"The tables have turned," said Su Chi, a researcher of the official Institute of International Relations. "The Chinese Communists no longer set the agenda for affairs concerning Taiwan. Washington is now calling the shots."

With the West ending its cold war confrontation with the Soviet Union, military analysts said, China's strategic value has declined.

China's continued poor record on human rights following the June 1989 crackdown on the pro-democracy movement in Peking,

was attributed to military support Washington provided the Nationalist government.

But Washington is bound by a 1982 agreement with Peking to gradually reduce its weapons sales to Taiwan and refrain from selling sophisticated arms to the island.

Last year, Taiwan's weapons purchases from the United States were estimated at \$620 million as compared with \$800 million several years ago. The restrictions are forcing the Nationalist military to look elsewhere for supplies.

"Modernisation of weapons is our key task," Defence Minister Chen Li-An said at a recent news conference. "We will continue to buy from the United States, but we are also looking to other countries for the weapons we need."

Analysts say the Nationalists' top concern is that the balance of power between China and Taiwan could be upset in a few years.

As China moves to modernise its weapons, they said, the Nationalist military cannot be content to twiddle its thumbs while its aging warplanes and fighting ships get older and older.

China, after all, has still not abandoned its threat to use force to reunite with Taiwan.

Taiwan has extended the life of some of its navy ships long after most of them should have been

beached. A programme to use spare parts from F-104s and F-5Es, the Nationalists' major fighters, which are no longer being produced, resulted in a high crash rate — 16 among 500 jets over the past four years.

Washington has tried to help Taiwan mend its window of vulnerability by providing it with technology and training officers.

Using U.S. technology and aviation parts, Taiwan began an ambitious 15-year project in 1982 to build 250 single-seat fighter aircraft.

Several prototypes of the indigenous defence fighters were recently produced for test flights. The planes can take off quickly and reach a high altitude fast enough to engage enemy fighters. They can also carry missiles that could attack warships if China launches an invasion by sea.

In selling Taiwan weapons, both Washington and Western Europe are making sure not to equip Taiwan with the power to launch an offensive against China.

A recent edition of a Chinese state-run magazine gave some cause to hope that Taiwan's ambitious military programme won't spark criticism in Peking as long as it remains defensive.

The July 29 edition of Outlook magazine said that once China and Taiwan united, the Taiwanese military would be permitted to continue its weapons purchases for defence only.

Stolen French art recovered in graveyard cache

PARIS (R) — Police have recovered in a graveyard a treasure of priceless medieval art stolen earlier this week from a 13th-century cathedral at Auxerre in central France, church sources have said.

They said police searched the graveyard in the nearby village of Fontenay overnight following an anonymous telephone tip and appeared to have found all the missing items. The thieves hid in the Saint-Etienne d'Auxerre Cathedral last Tuesday before it closed for the night and made off with 12th-century scrolls, illuminated manuscripts, statues, and enamel, gold and silverwork. Experts said each of the stolen pieces could be worth hundreds of thousands of dollars but would be difficult to sell as they were registered as historical works of art and could easily be recognised.

The ANC gave no explanation for the surprising move, which came as part of an organisation shuffle.

In announcing the new organisation structure, the ANC also said Cheryl Carolus would head the health, welfare and human resources portfolio. That would put her in charge of social welfare director Winnie Mandela.

Mrs. Mandela previously reported to the secretary-general, but under the new structure would work under Ms. Carolus. ANC spokeswoman Gill Marcus said.

Warden nabs escapee at stadium

BUTTE, Montana (AP) — Montana prison escapee Michael Mitchell was in Seattle when he decided to take in a baseball game. Bad choice. As he stood at a Kingdom souvenir stand, an old acquaintance was right behind him: "The warden of Montana State Prison. Out of 27,000 people you run into a guy that you know," Warden Jack McCormick told the Montana Standard newspaper. "I was a smidgen surprised." Mr. McCormick, vacationing in Seattle, was at the Seattle Mariners-Baltimore Orioles Game with his son. He was browsing for souvenirs when he spotted Mr. Mitchell, who was convicted of homicide and was three months from a parole hearing when he escaped on Jan. 19 from a pre-release centre in Billings. "He was really surprised to see me," Mr. McCormick said. "He knew who I was. I said, 'Hi, Mike, how ya doin'?' Mr. McCormick said Mitchell hesitated for a moment, then told the warden: "I guess I'll see you back there."

Court sentences teenage fraudster

LONDON (R) — A British teenager who believed that greed is good was sent to a juvenile prison for four years for swindling £500,000 (\$780,000) while posing as London's youngest stockbroker. As a mature-looking 16-year-old, Mark Acklom, now 18, used a smooth tongue — and his father's credit card — to dupe victims who included a former teacher, a charter jet company and a mortgage bank. Mr. Acklom's lawyers said he was a disturbed child, but the judge called him "utterly selfish and completely ruthless." The teenager admitted charging £11,000 (\$20,000) on a credit card he stole from his father and swindling a teacher out of £13,000 (\$22,000). He also ran up a £34,000 (\$57,000) bill with a charter firm he used to ferry girlfriends on expensive trips. He also stayed with them in suites in luxury hotels. Mr. Acklom's biggest financial coup was a £466,000 (\$790,000) mortgage from the Leeds Permanent Building Society for the purchase of a £508,000 (\$850,000) home in London. No repayments were made and when police caught up with him — after his father reported the theft of the credit card —